



Advertising: Concepts & Principle

Study Material for Students



BSCMCAJ-402: Advertising: Concepts & Principle

CAREER OPPORTUNITIES IN MEDIA WORLD

Mass communication and Journalism is institutionalized and source specific. It functions through well-organized professionals and has an ever increasing interlace. Mass media has a global availability and it has converted the whole world in to a global village. A qualified journalism professional can take up a job of educating, entertaining, informing, persuading, interpreting, and guiding. Working in print media offers the opportunities to be a news reporter, news presenter, an editor, a feature writer, a photojournalist, etc. Electronic media offers great opportunities of being a news reporter, news editor, newsreader, programme host, interviewer, cameraman, producer, director, etc.

Other titles of Mass Communication and Journalism professionals are script writer, production assistant, technical director, floor manager, lighting director, scenic director, coordinator, creative director, advertiser, media planner, media consultant, public relation officer, counselor, front office executive, event manager and others.



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INTRODUCTION

Advertising is providing information, calling attention to, and making known something that you want to sell or promote.

The book introduces the students to advertising and covers the origin and development of advertising in India. Today advertising is a part of our everyday life. It is all around us. Thus, the purpose and benefits of advertising are also discussed in the book. The different types of advertising like the Commercial & Non – commercial, Product & Consumer, Classified & Display, Retail & Wholesale, Regional, National & Co-operative, Govt. advertising, Comparative advertising are also discussed in the book.

Advertising acts as a communication, PR and Marketing tool which are elaborated in this book. The students will also learn the effects of advertising.



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SYLLABUS

Advertising: Concepts & Principle

1. INTRODUCTION TO ADVERTISING

Definition, Origin & development, Growth of advertising in India, Scope Effects on Economy/Industry, Facets of advertising As an act of commerce, as hidden persuader)

2. PURPOSE OF ADVERTISING

Need for advertising, Functions of advertising, Benefits of advertising: To Seller, Buyer & Media

3. TYPES OF ADVERTISING

Commercial & Non – commercial, Product & Consumer, Classified & Display, Retail & Wholesale, Regional, National & Co-operative, Govt. advertising, Comparative advertising

4. ADVERTISING AS A COMMUNICATION TOOL

Communication Process & Advertising, Communication Principles, Theories applied to advertising

5. ADVERTISING AS A MARKETING TOOL

Concept of Marketing & advertising, Marketing Mix - 5 P's in marketing, Segmentation of consumer & positioning of product

6. ADVERTISING AS A PR TOOL

Relationship of Advertising & Public Relation, Corporate/Institutional Advertising

7. ADVERTISING THEORIES

Unique Selling Proposition, Brand Image, Relevance to Indian Advertising

8. ROLE & EFFECTS OF ADVERTISING

Negative & Positive Effects, Advertising & Society, Advertising & Development, Role of advertising in National Economy, Social/Public Advertising.



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ADVERTISING: CONCEPTS & PRINCIPLE

OBJECTIVES

- to know the origin & development,
- to trace the growth of advertising in India
- to understand the purpose of advertising
- to learn the different types of advertising
- to see advertising as a communication tool
- to see advertising as a marketing tool
- to see advertising as a pr tool
- to understand advertising theories
- to know the role & effects of advertising

INTRODUCTION TO ADVERTISING

1.1. DEFINITION

For the common men advertising means television commercials, radio jingles and print advertisements. Advertising can be defined as **a paid dissemination of information through a variety of mass communication media to motivate a desired action.** According to the 'concise oxford dictionary' the verb, 'to advertise' means: **to make generally or publicly known.**

Jeremy Bullmore defines advertising as '**Advertising is any paid –for communication intended to inform and /or influence one or more people**'. Here, the first element paid for distinguishes advertising from free publicity. The second element communication indicates transmission of messages and the use of a medium. The third element intentional is about advertisements being goal-oriented. Fourthly, inform and/or influence indicates about the persuasive nature of advertising.

One of the earliest definitions of advertising was: '**The dissemination of information concerning an idea, service or product to compel action in accordance with the interest of the advertiser**'.



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This definition tells us about advertising being a kind of communication about a product, service or idea, and is being goal-oriented. However, it does not include many important aspects of advertising.

Thus, Advertising can be best defined as: **‘any paid for non-personal communication used with persuasive intent by identified sponsors through various media to promote goods, services and ideas, etc.’**

Today advertising is a part of our everyday life. It is all around us. We cannot escape looking at it or listening to it. Even if we are not consciously looking at it or listening to it, the message of advertising reaches and influences us. It is often recorded somewhere at the back of our minds and is recalled when we are buying something or looking for a particular service.

From morning to night, we are using advertised goods and services. We start the morning with a cup of tea or coffee, use toothpaste and toothbrush on our teeth, at breakfast we have bread, butter, etc. our workplace is also full of machines, computers, etc which are the advertised goods.

Prof. James E. Littlefield and *Prof. C.A. Kirkpatrick* in their book define advertising as follows: **‘Advertising is mass communication of information intended to persuade buyers so as to maximize the profit’**.

This definition is again not complete.

American Marketing Association AMA defines advertising as: **‘Advertising is any form of non-personal presentation of goods, services or ideas for action, openly paid for by an identified sponsor’**.

The key elements in the above definition are:

Any form

Advertising can take any of the following forms of presentation. It could be a sign, symbol, illustration, verbal message, etc. advertising can be in any form that best conveys the message.

Non-personal

This phrase distinguishes advertising from personal selling; as advertising is an indirect form of conveying messages.



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Goods, services or ideas

Advertising promotes goods, services and ideas. It also promotes persons and parties, places and events as well as institutions.

For Action

This phrase denotes the action-oriented nature of advertising.

Paid for

Advertising is always paid for. It is not free. So it is distinguished from free publicity.

By an Identified Sponsor

People or groups who do not identify themselves do a lot of publicity and propaganda. In such cases a kind of manipulative or malicious intent is associated. However, in case of advertising no such intent is present as the sponsor is always identified. We always know who the advertiser is.

1.1.1. Origin & Development of Advertising

The origin of advertising as a public announcement is traceable to the **town crier** and **the village drummer**. They used their lungs to shout out their own or others' messages. The messages could relate to government proclamation or even to sales of goods on '**market days**'. Then there were signs on shops or drinking houses to indicate the name of the shop owner or of the shop. The highly urbanized cities of Mohenjodaro and Harappa in India must have employed some form of advertising to sell the many types of art and craft items that the ancient civilizations were famous for.

Advertising as a discrete form is generally agreed to have begun with newspapers, in the seventeenth century, which included line or classified advertising. Simple descriptions, plus prices, of products served their purpose until the late nineteenth century, when technological advances meant that illustrations could be added to advertising, and color was also an option.

Excavation in Pompeii and other ancient cities have also thrown up evidence of some form of advertising. Says one advertisement in Latin found in Pompeii: 'A copper pot has been taken from this shop. Whoever brings it back will receive 65 cents. If anyone shall hand over the thief, he will receive an additional reward'. Such a public announcement has a striking resemblance to modern '**classified**'

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advertisements. Further, an excavation suggests that notices of theater performances, games, entertainments, and other public events were painted on the walls of the busy centers of the city. This was also the practice among the ancient Romans: they used ‘**albums**’ places on walls made smooth and white for writing or carving, stone tablets and even playing cards for making announcements of public interest. Public notices were places in the ‘**Acta Diurna**’, a wall-newspaper that provided daily news of Senate politics.

Developments

Modern advertising was made possible by the invention of printing, and the subsequent attempts to print notices, posters and bills in large numbers. However, it was the industrial revolution in Europe, combined with large-scale urbanization and mass production of goods, and the growth of the publishing business that made the expansion of competitive advertising possible. The eighteenth and nineteenth centuries in Europe and the United States were witness to massive migration of people from rural to urban areas, there to work in factories and live in crowded unhygienic conditions. The industrial revolution proved to be a success on the back of the working –classes, and the availability of large markets in the ‘**colonies**’ from where cheap raw material could be bought.

Mass production resulted in the need to market the products as they rolled out of factories. Advertising was hit upon as a powerful tool to stimulate public demand for standardized factory products. Advertising was welcomed by the growing printing and publishing trades as it subsidized their costs of production, this went a long way in keeping the price of newspapers low. By 1861 there were as many as 5,000 newspapers and magazines in the United States, with several of them publishing more advertisements than news or articles. ‘**Space sellers**’ entered the business world to act as middlemen or brokers between the manufacturers and the press.

Advertising is providing information, calling attention to, and making known something that you want to sell or promote.

Advertising is a message designed to promote or sell a product, a service, or an idea. Advertising reaches people through varied types of mass communication. In everyday life, people come into contact with many different kinds of advertising. Printed ads are found in newspapers and magazines. Poster ads are placed in buses, subways, and trains. Neon signs are scattered along downtown streets. Billboards



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dot the landscape along our highways. Commercials interrupt radio and television programming.

Advertising is a multibillion-dollar industry. In many businesses, sales volume depends on the amount of advertising done. Manufacturers try to persuade people to buy their products. Business firms use advertising to promote an "**image**" for their company. Businesses use advertising to gain new customers and increase sales.

Individuals, political candidates and their parties, organizations and groups, and the government also advertise. The armed forces use ads to recruit volunteers. Special interest groups promote a cause or try to influence people's thoughts and actions. Politicians use ads to try to win votes. And people advertise in newspapers to sell cars, homes, property, or other items. Prior to considering methods of advertising and marketing it is important to ensure that you understand and adhere to local country laws relating to data protection and customer rights concerning privacy and opt-out of various marketing methods. This especially relates to maintaining and using lists and people's personal details, to the use of telemarketing, direct mail, fax marketing, and email. Generally private consumers enjoy more protection than business-to-business customers.

1.2. Growth of Advertising in India

Indian Advertising starts with the hawkers calling out their wares right from the days when cities and markets first began. Concrete advertising history begins with classified advertising. Ads appear for the first time in print in Hickey's *Bengal Gazette*, **India's first newspaper weekly**. To 'advertise' meant merely to 'inform' until the end of the eighteenth century, and the early newspapers and periodicals announced births, deaths, arrivals of ships from England, sale of household furniture, etc. some journals like the Bengal Journal first published in 1785 even offered to print government advertisements free.

The front page of most such journals carried only advertisements, but before long persuasive copy began to replace mere information. This is evident from the appearance of punch lines such as 'superior to anything of the kind hitherto imported' and 'warranted to the first quality'. Discounts and special services also began to be offered by the beginning of the nineteenth century. Later, new products and services established themselves on the market through the advertisement columns of the newspapers and periodicals. The power of advertising increased rapidly with the growth in trade and commerce.



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With the increasing impact of the industrial revolution on our country, the number of advertisements from British business houses rose sharply. '**Agents**' flourished at the time as space contractors, obtaining advertisements for newspapers and periodicals on a commission basis. Leading newspapers like 'The Statement' and 'The Times of India', which had their own advertising departments, offered their own facilities to 'agents'. This was of great advantage to both the advertiser and the publisher, for the advertiser, it saved the bother of preparing a suitable layout for the advertisements, for the publisher, it assured a certain uniformity of standard in the advertisements appearing in its column. This practice was responsible for turning advertising into a distinct profession. These 'agents' were forerunners of the 'advertising agencies'.

1.3 Advertising in the early 20th century

Two main events responsible for growth of Indian advertising agencies were: the Swadeshi Movement 1907 -1911, which gave rise to indigenous industries, and the second, was the installation of first rotary linotype machine by the **Statesman** of Calcutta in 1907.

In few years, other papers too installed the new machine, which made it possible to produce a cheap newspaper with a large national circulation. The first Indian Ad Agency, the Indian Advertising Agency, was launched around this time, and is still going strong. The main functions of these agencies were to secure advertisements and to get them published in the press. The major British agencies during this time were: Alliance Advertising Associates, Publicity Society of India, L.A. Stronach and Co, and others. They catered to the need of the affluent British and Indian elites living in the metropolitan cities. They rarely advertised Mass consumer items like tea and cigarettes.

During the war, press advertising was exploited to raise funds for the war effort. Ad Agencies established during this period-included Alliance Advertising Association Ltd, at Bombay, started by the British India Cooperation of Kanpur, to sell its manufactured goods. Mr. L.A. Stronach, the manager of Alliance, bought up the Bombay branch of the agency and started in 1922 his own agency, with a branch in London. It provided production and media services to advertisers unlike the space-selling agencies and so even manufacturers of competing products or brands had to use these services.



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The Inter-War Years

During the inter-war years a few Indian agencies too sprang up, the most notable being the modern Publicity Co. in Madras, the Calcutta Publicity, and the Oriental Advertising Agency in Tiruchirapalli. The Vasudevea Publicity Service was started in Delhi to carry out outdoor publicity campaigns in Uttar Pradesh, Punjab and Delhi. In 1931, the first full-fledged Indian Ad Agency, the National Advertising Service, was established. Among the other Indian Agencies to be launched during this period were: New India Publicity Co. 1930, Paradise Advertising Agency of Calcutta 1928, the Indian and Eastern Newspapers Society (IENS), and others. The IENS was set up as a central organization of the newspaper owners of India, Burma and Ceylon. The society looked after the interests of newspaper publishing houses; an indirect effect of the formation of the IENS was the standardization of Ad agency practices. The IENS also sought to foster better publisher agency relationship.

The establishment of the **Advertising Agencies Association of India (AAAI)** in 1945 and the **Audit Bureau of Circulation (ABC)** in 1948 helped to bring some order to the competitive field. The AAAI came to be recognized as a representative body of the profession, with the authority to represent its interests and problems. The ABC gave some credibility to the claims of newspapers regarding their circulation.

Post-Independence Advertising

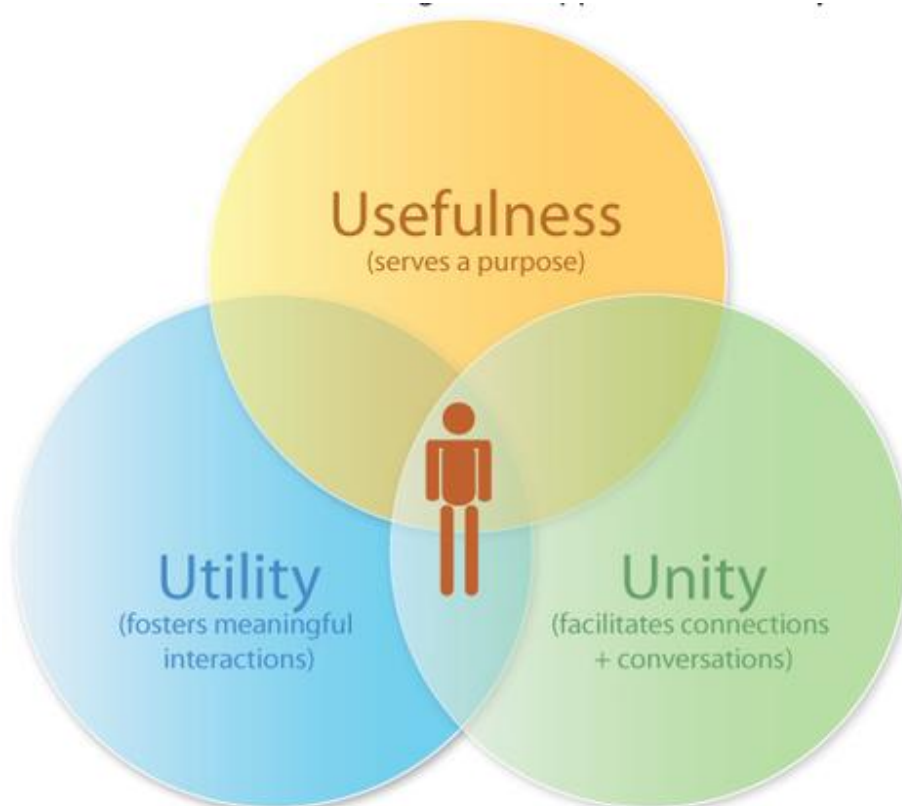
Following World War II and the Indian Independence, the British-owned agencies were sold to Indian business. Several agencies, however, retained an 'affiliate' status with the main branches of the agencies in London. They continue to enjoy this status even today, though American multinational agencies have replaced affiliation with British agencies.

At independence the advertising business was well on its way to growth and expansion. Partition did not touch the business at all. The introduction of multi-color printing, improved printing machines like offset and web offset, and the development of commercial art gave the Ad business a further leap. Agencies began to offer, besides space selling, many more services, such as artwork, organization of fairs and exhibitions, market research, public relations consultancies.

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The phenomenal growth in the media, especially television and cable has given a boost to Indian advertising. Market research and readership surveys have led to the further professionalization of the business. Individual publishing houses like 'The Hindu and The Times of India' first conducted readership surveys. Now, **National Readership Surveys NRS**) and **Indian Readership Surveys IRS**) as well as regular **Television Rating Points TRP** measurements provide advertisers with statistical data on which to base their media plans.

1.4. Facets of Advertising



These are just a few of highly effective techniques of persuasion. Other methods include the use of rewards, punishments, positive or negative expertise, moral appeal, and many others.

Create a Need

One method of persuasion involves creating a need or an appealing a previously exiting need. This type of persuasion appeals to a person's fundamental needs for shelter, love, self-esteem, and self-actualization.



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Appeal to Social Needs

Another very effective persuasive method appeals to the need to be popular, prestigious, or similar to others. Television commercials provide many example of this type of persuasion, where viewers are encouraged to purchase items so they can be like everyone else or be like a well-known or well-respected person. Television advertisements are a huge source of exposure to persuasion considering that some estimates claim that the average American watches between 1,500 to 2,000 hours of television every year.

Use Loaded Words and Images

Persuasion also often makes use of loaded words and images. Advertisers are well aware of the power of positive words, which is why so many advertisers utilize phrases such as “New and Improved” or “All Natural.

The examples above are just a few of the many persuasion techniques described by social psychologists. Look for examples of persuasion in your daily experience. An interesting experiment is to view a half-hour of a random television program and note every instance of persuasive advertising. The amount of persuasive techniques used in such a brief period of time can be astonishing.

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UNIT 2. PURPOSE AND GOALS OF ADVERTISING

Advertising is just not for information, but for a purpose. This purpose is to motivate a desired action. People use advertising to achieve a variety of objectives. The broad functions are **to inform, educate, and persuade**. The subsidiary functions are **to create awareness, change attitudes and generally to gain acceptability**. In case of product and service advertising, the objective is to inform the consumers and generate demand. Institutional and ideas advertising are designed to create a favorable attitude and acceptability.

2.1. Thus, the **functions/roles/purposes** of advertising are many:

1. **Marketing-** Marketing is the strategic process in business that is used to satisfy consumer needs and wants through goods and services, to reach its target audiences, marketing use many tools of promotion. Also known as marketing communication, these tools include personal selling, sales promotion, public relations and of course, advertising. Advertising is the most widely used and most visible of promotional tools in marketing.
2. **Communication-** Advertising is a commercial form of mass communication. It transmits different types of marketing information and tries to match buyers and sellers in the market place. Advertising not only informs prospective buyers, it also transforms the product by creating a personality for it. Using visuals, words, music, drama and lot of other things, advertising creates an image for the product that goes beyond mere facts.
3. **Economic role-** Advertising play an important role in the economy by helping the society to achieve abundance by informing and persuading people about products, services and goods. Advertising assists in the development of judgment on the part of consumers in their purchase practices. Simply put, advertising helps consumers make informed buyers decisions. Others believe that advertising is a source of information that increases the price sensitivity and stimulates competition.
4. **Social role-** Advertising plays a number of social roles. It informs us about new and improved products. Sometimes it tells us how to use certain products. It also helps us compare products and services.



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5. **Improve sales-** Advertising can also be for winning back the lost consumers, by announcing some improvements, new schemes, attractive packages, or better quality of the product or services. It might be necessary to reduce prices to hold on the consumers against competition.
6. **Provide satisfaction-** A consumer buys a product or service for the satisfaction it provides. The interest is not in the product or service for itself, but in the satisfaction it provides. It can be psychological too. If one buys a soap which is advertised as the beauty soap of the stars, one knows very well that one cannot become a film star by using the soap or even acquire the complexion of the film star. The psychological satisfaction is of the self-delusion that one uses the same toilet soap as a film star.
7. **Sells Lifestyle-** Advertising also sells lifestyle. This is very true of the advertisements of such products as pressure cookers or gas stoves. These might be described as conveniences products. Thus, advertising creates demands for the new products and hence creates a lifestyle.
8. **Provide Employment-** Without advertising, products and services could not be sold in sufficient quantities. Without sales, factories would close down causing unemployment. Thus advertising stimulates economy by providing employments to many people.
9. **Revenue for Media-**It is true that newspapers, periodicals and even the electronic media depend on advertising as a major source of revenue.
10. **Influences Public Opinion-**Advertising today has become a very powerful instrument for motivating public opinion and action. That is why it is used for political campaigns as well.

2.2. Scope Effects on Economy/Industry

Businesses that continue to advertise regardless of economic times have a competitive advantage over businesses that trim their ad budgets.

So says a business-to-business b -to-b media study. The study showed more than 85 percent of business executives believe advertising during a down economy is extremely important.

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B-to-B media is an undisputed ally for advertisers seeking to reach executives about products and services for their businesses. The study, prepared for American Business Media, showed that despite slow economic times, executives rely on b-to-b media for information more than any other media source for the influence or support of purchase decisions.

Competitive advantage

Advertising during a sluggish economy clearly creates a competitive advantage, with a majority of executives agreeing that seeing a company advertise during slower times makes them feel more positive about the company's commitment to its products and services. But perhaps most important is staying at the top of buyers' minds when purchase decisions are made.

“For advertisers interested in maximum profit from their investment in b-to-b media, these research results indicate that advertising frequently and capitalizing on the synergistic effect of print, Web sites and trade shows is a sure path to increasing awareness, interest and purchase,” said the study authors.

Add to that the fact that there has been a dramatic increase in the time executives spend visiting b-to-b Web sites over the past three years and online advertising is a winning strategy. Moreover, the study findings are consistent across industry sectors, making results relevant regardless of business category.

Long-term investing

“Advertising in a down economy is even more important than advertising during the good times,” says a firm of strategic business futurists. “That’s when you can build market share. That’s when you have less competition for share of mind. While others are in a cocoon, hibernating until things blow over, it’s a great time to invest in your business.”

Sign industry suppliers need to establish themselves as the brand of choice and halting advertising during tough times is counteractive to that goal. The bottom line is clear: If a company is not communicating with customers when they enter the market, then that company will not be considered in the buying decision. That fundamental truth does not change, regardless of the economy.

While many companies readily understand the value of short-term advertising generating new sales, generating repeat business from existing



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customers and generating new leads that turn into future sales it can be more difficult to comprehend the long-term value. Think of a snowball rolling down a mountain consistent advertising has a cumulative effect. The more familiar buyers are with your brand, the more likely they are to purchase the brand.

Cross media approach

A cross media approach is the best approach, according to experts, because it allows your company to stay in front of customers consistently. The executives value magazines, Web sites and trade shows for different reasons. B-to-b magazines are favorably evaluated with respect to being “highly credible sources” and “providing information you can trust.” B-to-b Web sites rate high for being “primary sources of research” and providing “access to the latest information.” And b-to-b trade shows are highly regarded for enabling “interaction with industry peers.”

2.3. SELECTING THE RIGHT MEDIA FOR ADVERTISING

An important step to developing your sales and marketing plan is to select the right media to send out your message. There are no hard-and-fast rules as to which media is better. The right media for one business may be wrong for another.

Below are the relative advantages and disadvantages of the advertising media most frequently used by small businesses:

2.3.1 Newspapers-Newspapers are one of the traditional mediums used by businesses, both big and small alike, to advertise their businesses.

Advantages

- Allows you to reach a huge number of people in a given geographic area
- You have the flexibility in deciding the ad size and placement within the newspaper
- Your ad can be as large as necessary to communicate as much of a story as you care to tell
- Exposure to your ad is not limited; readers can go back to your message again and again if so desired.
- Free help in creating and producing ad copy is usually available



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- Quick turn-around helps your ad reflect the changing market conditions. The ad you decide to run today can be in your customers' hands in one to two days.

Disadvantages

- Ad space can be expensive
- Your ad has to compete against the clutter of other advertisers, including the giants ads run by supermarkets and department stores as well as the ads of your competitors
- Poor photo reproduction limits creativity
- Newspapers are a price-oriented medium; most ads are for sales
- Expect your ad to have a short shelf life, as newspapers are usually read once and then discarded.
- You may be paying to send your message to a lot of people who will probably never be in the market to buy from you.
- Newspapers are a highly visible medium, so your competitors can quickly react to your prices
- With the increasing popularity of the Internet, newspapers face declining readership and market penetration. A growing number of readers now skip the print version of the newspaper and hence the print ads and instead read the online version of the publication.

2.3.2. Magazines- Magazines are a more focused, albeit more expensive, alternative to newspaper advertising. This medium allows you to reach highly targeted audiences.

Advantages

- Allows for better targeting of audience, as you can choose magazine publications that cater to your specific audience or whose editorial content specializes in topics of interest to your audience.
- High reader involvement means that more attention will be paid to your advertisement
- Better quality paper permits better color reproduction and full-color ads
- The smaller page generally 8 ½ by 11 inches permits even small ads to stand out

Disadvantages

- Long lead times mean that you have to make plans weeks or months in advance



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- The slower lead time heightens the risk of your ad getting overtaken by events
- There is limited flexibility in terms of ad placement and format.
- Space and ad layout costs are higher

2.3.3. Yellow Pages- There are several forms of Yellow Pages that you can use to promote and advertise your business. Aside from the traditional Yellow Pages supplied by phone companies, you can also check out specialized directories targeted to specific markets, interactive or consumer search databases; yellow pages; Internet directories containing national, local and regional listings; and other services classified as Yellow Pages.

Advantages

- Wide availability, as mostly everyone uses the Yellow Pages
- Non-intrusive
- Action-oriented, as the audience is actually looking for the ads
- Ads are reasonably inexpensive
- Responses are easily tracked and measured
- Frequency

Disadvantages

- Pages can look cluttered, and your ad can easily get lost in the clutter
- Your ad is placed together with all your competitors
- Limited creativity in the ads, given the need to follow a pre-determined format
- Ads slow to reflect market changes

2.3.4. Radio

Advantages

- Radio is a universal medium enjoyed by people at one time or another during the day, at home, at work, and even in the car.
- The vast array of radio program formats offers to efficiently target your advertising dollars to narrowly defined segments of consumers most likely to respond to your offer.
- Gives your business personality through the creation of campaigns using sounds and voices
- Free creative help is often available
- Rates can generally be negotiated



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- During the past ten years, radio rates have seen less inflation than those for other media

Disadvantages

- Because radio listeners are spread over many stations, you may have to advertise simultaneously on several stations to reach your target audience
- Listeners cannot go back to your ads to go over important points
- Ads are an interruption in the entertainment. Because of this, a radio ad may require multiple exposure to break through the listener's "tune-out" factor and ensure message retention
- Radio is a background medium. Most listeners are doing something else while listening, which means that your ad has to work hard to get their attention

2.3.5. Television

Advantages

- Television permits you to reach large numbers of people on a national or regional level in a short period of time
- Independent stations and cable offer new opportunities to pinpoint local audiences
- Television being an image-building and visual medium, it offers the ability to convey your message with sight, sound and motion

Disadvantages

- Message is temporary, and may require multiple exposure for the ad to rise above the clutter
- Ads on network affiliates are concentrated in local news broadcasts and station breaks
- Preferred ad times are often sold out far in advance
- Limited length of exposure, as most ads are only thirty seconds long or less, which limits the amount of information you can communicate
- Relatively expensive in terms of creative, production and airtime costs

2.3.6. Direct Mail- Direct mail, often called direct marketing or direct response marketing, is a marketing technique in which the seller sends marketing messages directly to the buyer. Direct mail includes catalogs or other product literature with ordering opportunities; sales letters; and sales letters with brochures.



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Advantages

- Your advertising message is targeted to those most likely to buy your product or service.
- Marketing message can be personalized, thus helping increase positive response.
- Your message can be as long as is necessary to fully tell your story.
- Effectiveness of response to the campaign can be easily measured.
- You have total control over the presentation of your advertising message.
- Your ad campaign is hidden from your competitors until it's too late for them to react
- Active involvement - the act of opening the mail and reading it -- can be elicited from the target market.

Disadvantages

- Some people do not like receiving offers in their mail, and throw them immediately without even opening the mail.
- Resources need to be allocated in the maintenance of lists, as the success of this kind of promotional campaign depends on the quality of your mailing list.
- Long lead times are required for creative printing and mailing
- Producing direct mail materials entail the expense of using various professionals - copywriter, artists, photographers, printers, etc.
- Can be expensive, depending on your target market, quality of your list and size of the campaign.

2.3.7. Telemarketing- Telephone sales, or telemarketing, is an effective system for introducing a company to a prospect and setting up appointments.

Advantages

- Provides a venue where you can easily interact with the prospect, answering any questions or concerns they may have about your product or service.
- It's easy to prospect and find the right person to talk to.
- It's cost-effective compared to direct sales.
- Results are highly measurable.
- You can get a lot of information across if your script is properly structured.
- If outsourcing, set-up cost is minimal
- Increased efficiency since you can reach many more prospects by phone than you can with in-person sales calls.
- Great tool to improve relationship and maintain contact with existing customers, as well as to introduce new products to them



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- Makes it easy to expand sales territory as the phone allows you to call local, national and even global prospects.

Disadvantages

- An increasing number of people have become averse to telemarketing.
- More people are using technology to screen out unwanted callers, particularly telemarketers
- Government is implementing tougher measures to curb unscrupulous telemarketers
- Lots of businesses use telemarketing.
- If hiring an outside firm to do telemarketing, there is lesser control in the process given that the people doing the calls are not your employees
- May need to hire a professional to prepare a well-crafted and effective script
- It can be extremely expensive, particularly if the telemarketing is outsourced to an outside firm
- It is most appropriate for high-ticket retail items or professional services.

2.3.8. Specialty Advertising- This kind of advertising entails the use of imprinted, useful, or decorative products called advertising specialties, such as key chains, computer mouse, mugs, etc. These articles are distributed for free; recipients need not purchase or make a contribution to receive these items.

Advantages

- Flexibility of use
- High selectivity factor as these items can be distributed only to the target market.
- If done well, target audience may decide to keep the items, hence promoting long retention and constant exposure
- Availability of wide range of inexpensive items that can be purchased at a low price.
- They can create instant awareness.
- They can generate goodwill in receiver
- The items can be used to supplement other promotional efforts and media e.g. distributed during trade shows.

Disadvantages

- Targeting your market is difficult.
- This can be an inappropriate medium for some businesses.
- It is difficult to find items that are appropriate for certain businesses
- Longer lead time in developing the message and promotional product

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- Possibility of saturation in some items and audiences
- Wrong choice of product or poor creative may cheapen the image of advertiser

UNIT 3. TYPES OF ADVERTISING

Advertising is a persuasive communication attempt to change or reinforce ones' prior attitude that is predictable of future behavior. We are not born with the attitudes, which we hold toward various objects in our environment. Rather, we learn our feelings of favor ability or unfavorability through information about the attitude object e.g., advertising, or direct experience with the attitude object e .g., tasting a new brand of chocolate, or some combination of the two.

Advertising can be divided into two broad categories—**consumer advertising and trade advertising**. Consumer advertising is directed at the public. Trade advertising is directed at wholesalers or distributors who resell to the public.

Consumer advertising can be further divided into **national advertising and local advertising**. National advertising is aimed at consumers throughout the entire country. National advertising usually attempts to create awareness among the public of a product or service, or it tries to build loyalty to a product or service. Local advertising is aimed at informing people in a particular area where they can purchase a product or service. Advertising to the public may also take the form of **institutional advertising, image advertising, informational advertising, or cooperative advertising**.

Institutional Advertising seeks to create a favorable impression of a business or institution without trying to sell a specific product. This type of advertising is designed solely to build prestige and public respect. For nonprofit institutions, such advertising helps support the institution's activities. For example, by encouraging blood donations or cash contributions for the work of an organization like the Red Cross. A for-profit business has other reasons for improving its reputation rather than trying to sell a particular product. In some cases a large company may sell a diversity of products. As a result, there is more value and greater efficiency in building a brand image for the company itself. If consumers learn to have a high regard for the company, then they are more likely to have a favorable opinion of all of the company's diverse products.



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Many advertisers prefer a strategy known as **Image Advertising**. These advertisers seek to give a product a personality that is unique, appealing, and appropriate so that the consumer will want to choose it over similar products that might fulfill the same need. The **personality** is created partly by the product's design and packaging but, more importantly, by the words and pictures the advertisements associate with the product. This personality is known as a **brand image**. Advertisers believe brand image often leads consumers to select one brand over another or instead of a less expensive generic product. Brand image is especially important for commodities such as detergents, jeans, hamburgers, and soft drinks, because within these product categories there are few, if any, major differences.

3.1. Informational Advertising seeks to promote an idea or influence behavior. Sometimes known as **public service advertising**, it may try to discourage young people from using illicit drugs or tobacco, or it may encourage people to adopt safer, healthier lifestyles.

Thus, we can identify other different types of advertising as follows:

1. **Product Advertising**- It is the most common type of advertising. The items advertised are consumer products. The dominant focus is the product itself rather than the company or manufacturer. The advertising tells the story about the produce & creates an aura about it as though it were a dream product.
2. **Concept Advertising**- Where advertising is not just confined to providing persuasive information about products and services, but also with the acceptance of idea not connected with the sale of products and services.
3. **Informative Advertising**- In this case an immediate sale is not expected, e.g. Consumer durables such as refrigerator or a music system. These items are not bought on impulse as they cost a great deal of money and therefore are purchased after a great deal of consideration.
4. **Financial Advertising**- This has become another highly specialized area. It covers banking operations, sales of shares, inviting company deposits and debentures, etc.
5. **Institutional/Corporate Advertising**- This is public relation advertising: building the prestige of an institution or an organization.
6. **Government Advertising**- This varies from classified ads, tender notices, employment notifications, and industrial products produced in the public sector and such services.
7. **Export Advertising**- This is yet another special category as the challenge here is that we are dealing with audiences in a foreign company.

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- 8. Classified Advertising-** It provides valuable information, e.g. employment market situation vacant, birth, deaths, engagement and marriages, change of names, accommodation and housing availability, and various services.

Advertising is a form of communication that typically attempts to persuade potential customers to purchase or to consume more of a particular brand of product or service. The formation of modern advertising was intimately bound up with the emergence of new forms of monopoly capitalism around the end of the 19th and beginning of the 20th century as one element in corporate strategies to create, organize and where possible control markets, especially for mass produced consumer goods. Mass production necessitated mass consumption, and this in turn required a certain homogenization of consumer tastes for final products.

Many advertisements are designed to generate increased consumption of those products and services through the creation and reinvention of the "**brand image**". For these purposes, advertisements sometimes embed their persuasive message with factual information in every major, newspaper, video games, the Internet, carrier bags and billboards. Advertising is often placed by an advertising agency on behalf of a company or other organization. Organizations that frequently spend large sums of money on advertising that sells what is not, strictly speaking, a product or service include political parties, interest groups, religious organizations, and military recruiters. Non-profit organizations are not typical advertising clients, and may rely on free modes of persuasion, such as public service announcements.

Money spent on advertising has increased dramatically in recent years. While advertising can be seen as necessary for economic growth, it is not without social costs Advertising is increasingly invading public spaces, such as schools, which some critics argue is a form of child exploitation.

3.2 Non-commercial advertising is sponsored by or for a charitable institution or civic group or religious or political organization. Many noncommercial advertisements seek money and placed in the hope of raising funds. Others hope to change consumer behavior.

So the main goals of noncommercial advertising are:

- Stimulate inquires for information
- Popularize social cause
- Change activity habits



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- Decrease waste of resources
- Communicate political viewpoint
- Improve public attitude
- Remind people to give again.

So called word-of-mouth advertising is a person to person communication that is perceived as being noncommercial, concerning goods or services: it is face-to-face product related communications between and among the friends, relatives and others. Because it is noncommercial, it is usually seen as being an unbiased source of information.

3.3. Comparative advertising is an advertisement in which a particular product, or service, specifically mentions a competitor by name for the express purpose of showing why the competitor is inferior to the product naming it. This should not be confused with parody advertisements, where a fictional product is being advertised for the purpose of poking fun at the particular advertisement, nor should it be confused with the use of a coined brand name for the purpose of comparing the product without actually naming an actual competitor.

In the 1980s, during what has been referred to as the **cola wars**, soft-drink manufacturer Pepsi ran a series of advertisements where people, caught on hidden camera, in a blind taste test, chose Pepsi over rival Coca-Cola. The use of comparative advertising has been well established in political campaigns, where typically one candidate will run ads where the record of the other candidate is displayed, for the purpose of disparaging the other candidate.

3.4. Regional advertising is placing ads of any media within a specific geographic location to influence decision in one locality. A region may be defined in different geographic sizes or terms such as city, county, state, country, or continent.

Cooperative advertising is the sharing of costs for locally placed advertising between a retailer or wholesaler and a manufacturer. Many manufacturers have a set amount of cooperative advertising funds available per year, distributed as opportunities for collaboration arise. Manufacturers report, however, that much of this money goes unspent, as relatively few retailers and wholesalers pursue cooperative agreements.

Cooperative advertising can be a very powerful tool for the small business owner, especially one with limited means to support the kind of advertising campaign which can be vital to the survival and success of a business enterprise. The added



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funds from such a cooperative agreement can improve the quality of advertising or broaden the scope of its distribution. It can create important links between products and the small wholesaler or retailer who handles the product for the manufacturer. Above all, it can attract customers loyal to a certain product to a vendor whose name had not before been associated with that product.

Cooperative advertising can take many forms. There are many devices with which a manufacturer can assist a distributor in product promotion, including product flyers, catalog and trade magazine ads, direct mail flyers and direct mail campaigns, electronic data for CD-ROM, trade show booth materials for customer appreciation/open house or sports events, and giveaway items, such as clothing, mugs, or sports gear. Any one or combination of the above used with a marketing program, can effectively assist a distributor with making their customer base aware of a product.

Examples of Advertisements

Omnipresent, intruding, alluring, annoying, call them whatever you want, advertisements are here to stay. **There is no escape from advertisements.**

Great ads, whether part of a campaign or as single ads do two things. They touch the hearts of the consumers and at the same time deliver a selling message. Great ads try to engage the consumer by a variety of means.

They include:

- Catchy music
- Emotions
- Drama
- Use of kids
- Use of celebrities
- Use of imagery
- Humor
- Action
- Sex
- Use of animals
- Use of fictional characters

Music

Whatever the variety, music is an all time favorite in advertising. The musical catch line-*Kuchh Khas Hai* something special - of the Cadbury chocolates series



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not only involves the consumers; it also puts across a message that this particular brand of chocolate is something special. Music entertains, engages and involves the audience. At the same time it helps in the easy acceptance of the selling messages. In fact, catchy jingles become so popular that they are hummed by the masses.

Humor

One of the most used elements in advertising is humor. As today's world is full of stress and strain, humor in advertisements gives us a chance to have a laugh. The series of ads of Maggi Hot & Sweet Sauce with Javed Jaffrey is a good example of humor in the ads.

Emotions

As the emotions touch our hearts, many ads use emotions through different relations. 'Titan Watches' show the sensitive and emotional relation between father and daughter, husband and wife, etc.

Action

Macho men, action and power are all used effectively in many advertisements. As the Action Shoes tries to create a bond between the product and the consumer, thus using action and power in the ads.

Drama

Like emotions, drama also plays an important part in many ads. By nature, all of us love drama as it adds spice to our lives. The 'Ericson' mobile phone and 'Mirinda Lemon flavor' ads are very good examples.

Sex

Sex is used as a mere attention-grabbing device in the ad world. Like use of scantily dressed women in advertisements of products like tyres, suitcases, pens, etc seems very illogical. Also sex often creates controversies.

Use of Kids

Kids are adorable, cute and playful. Thus, they evoke many emotions and are good vehicles of conveying the messages in the advertisements. Kids are not only used for products of kids, but in a wide variety of products like suiting Raymonds, cooking oils my daddy strongest...Dhara), etc.



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Use of animals

Dogs are loyal. Horses are masculine and lions are majestic. Thus, these animals are used to attach a variety of characteristics to different brands. Ceat tyres claim to be born tough, so they use rhinos to show that their tyres are really tough. Lipton tea advertisement shows a man drinking this brand tea and not being afraid of even a tiger. There are various other examples of animals and birds being used in advertisements.

Use of Celebrities

Celebrities today are storming the advertisements. Film stars, musicians, singers, and sports persons are all engaged to promote top brands in Indian Advertising. They sell us cars, scooters, noodles, hair oils, soft drinks, tea, coffee, and a whole lot of other products. Today, every second advertisement on TV will have a famous personality. The current cola war involves top Bollywood stars. Pepsi has Shahrukh Khan while Coca Cola has Aamir Khan. People idolize the celebrities and try to copy them. Thus, advertisers exploit this tendency to popularize their brands.

Use of Fictional Characters

Air India has its own 'Maharaja' whereas Nerolac paints have a 'tiger cub'. These characters are highly appealing. Being 'fantasy' characters they offer complete flexibility and capture the inherent drama of the product. This way a complex message is easily and effectively communicated.

3.5. Parts of Advertisements

- ◆ **Headline**
- ◆ **Direct Promise of benefits**
- ◆ **News about the product**
- ◆ **Curiosity or provocative**
- ◆ **Command headlines**
- ◆ **Subhead line**
- ◆ **Slogan**
- ◆ **Body copy**
- ◆ **Visualization**
- ◆ **Layout**
- ◆ **Thumbnail sketches**
- ◆ **Rough Sketches**
- ◆ **Trademark**
- ◆ **Logo**
- ◆ **Symbol**



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The Headline

The Headline is the most read part of an advertisement. So advertisers try to tell maximum part of the *product story* through the headline. A headline will introduce the product or makes the promise statement or puts a question. It basically tries to attract the attention of the readers and create curiosity so the audience or reader sees further. The major types of headlines are:

- Direct promise of benefit
- News about the product
- Curiosity or provocative, and
- Command headlines

Direct headlines make a direct promise about how the product will benefit the readers. Readers are often interested in what is new in the product so the words 'new', 'improved', etc. are often used in headlines. Such headlines provide some new 'information' and are called news headline.

Sometimes the promise or benefit is not offered in the headline. Instead an indirect approach is adopted by either posing a question or making a provocative statement; the headline tries to create a lot of curiosity about the product. It also forces the readers or the audience to see the copy and the promise is made in the copy of the Advertisement. In command headlines, the readers are urged to buy the product by promising a reward. For example, 'buy one, get one free' or 'buy for the price of two'. Usually they command or ask the consumers to buy.

Another type of headline is the select headline. This is directed at the headline scanners. Such a headline selects its own audience and can reach selected groups by either addressing them directly or by discussing their specific problems.

The Sub-Headline

This is not always used in ads. However, when the advertiser wants to say a lot at the beginning but the headline cannot do the job, then the subheading is used. The headline and subheading together can contain a longer message. The subheading usually spells out or elaborates the promise made in the headline or it stresses on the product's unique features.

Slogan

It is a phrase or a sentence that describes the benefit derived from the product or one of the product's most important attributes. The term slogan comes from the



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Gaelic words *sluagh gairm*, meaning battle cry. These days it is the battle cry in the field of sales and marketing. It consists of a single phrase by which an advertiser conveys an important idea, which will presumably lead readers or audience to remember and think favorably of this company. **Slogan is thus a short and catchy phrase that gets the attention of the audience, is easy to remember and comes off the tongue easily.**

Slogan can of different types:

- a) Slogan that emphasizes product or reward- every product has some reward to offer consumers. It may have some hidden quality that differentiates a product from the competitors.
- b) Slogans that emphasizes action to be taken- the slogan might urge directly that you use the product or service

Body Copy

When the headline usually makes a claim, the body copy elaborates upon it and provides supporting proof. When the headline poses a question, the subheading answers it. The amount of detail in an advertisement should be sufficient to answer the questions arising in the minds of a prospective buyer. And if the consumers require more details or information, then they can be requested to come back to the company for information booklets or can be invited to come to the retailer or dealer for more information or demonstration.

Sometimes the consumer wants a proof or evidence of the claims made in the advertisement. So proofs about quality, performance, durability, etc. are provided through arguments, proofs by experts, testimonials by users or through demonstrations in the body copy.

Visualization

The headline is a major attraction –getting device. Another device is the visual impact of the advertisement. This is the combination of the visuals used in the advertisements and the visual treatment given to other elements of the advertisement. This visual impact becomes strong if the idea has been properly visualized.

Visualization means to think in terms of visuals or pictures. And one need not be an artist or painter to be able to visualize as all it require is thinking.



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For example think about the picture, which comes to your mind when you think the word ‘flower’. It could be a bouquet of flower or a garden full of beautiful flowers. These kind of perceptions need to be portrayed in the advertisements. A visualizer need not draw or paint these things but can just describe these and leave the drawing to the artists.

Visuals and pictures help people dream and project themselves in to another time, place, or situation. Pictures appeal to our hidden and suppressed emotions. Also pictures communicate ideas quickly and easily and also there is no chance of misinterpretation. Visuals not only attract attention, they hold the interest and often tell maximum part of the story. Visuals also identify the product, arouse interest, create a favorable impression of the product or the advertiser, clarify claims made in the copy, make demonstrations, and emphasize the unique features of the product. And finally the visuals provide continuity for all advertisements in the campaign through the use of similar visuals.

Layout

Layout has two meanings. One means the total appearance of the advertisement, its design, and the composition of the various elements. The other meaning is the act or process of placing the elements copy, visuals, etc) together. A layout could be the first pencil sketch, which puts the idea on paper or could also be the final piece after finishing touches. Good layouts are unimaginative.



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UNIT 4. ADVERTISING AS A COMMUNICATION TOOL

Advertising is a form of mass communication with the public. It is usually one sided i.e. from the company to the buyer/potential user of the product. It is a form of communication that typically attempts to persuade the potential customers to purchase or consume more of a particular brand of product/services. As rightly defined by Bovee, "Advertising is the non-personal communication of information usually paid for and usually persuasive in nature about products, services or ideas by identified sponsors through the various media."

Advertising an important tool of communication is use to promote commercial goods and services, it can also be used to inform, educate and motivate the public about non-commercial issues such as AIDS, Don't drink and drive, Polio, Save water, electricity, animals and trees etc. **"Advertising justifies its existence when used in the public interest - it is much too powerful tool to use solely for commercial purposes."** - Attributed to Howard Gossage by David Ogilvy.

Advertising is most effective with products that can be differentiated from similar products based on consumer accepted quality difference. Tom Egelhoff has classified advertising in 6 types, i.e. for company image, name brands, advertising service instead of a product, business-to-business advertising, co-op advertising and public service advertising. Television, Radio, Cinema, Magazine, Journal, Newspaper, Video Game, Internet, Billboard, Transit Cards, Sandwich Board, Skywriting are the different mediums used to deliver the message. The companies choose the method according to the cost, budget, target audiences and their response. However, word of mouth advertising/ personal recommendations is an unpaid form of advertising which can provide good exposure at minimum cost.

Various new forms of advertising are growing rapidly. One of them is Social Networking Advertising. It's an online advertising with a focus on social networking sites and use of the internet/ World Wide Web in order to deliver marketing messages and attract customers. The other is E-Mail advertising; E-Mail Marketing is often known as "opt-in-email advertising" to distinguish it from spam. "It is believed 'credibility' is one of the biggest issues yet to be addressed by Internet advertisers. Everyone has their eye on 'privacy' as a critical concern, but credibility will be far more enabling or disabling to website profitability. A company can have a web presence and, unless the brand name is familiar, consumers have no way of knowing whether it's a big company, a small company, an honest company, or a single scoundrel.

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Credibility no longer is strictly a brick-and-mortar issue. It can't be judged by their place of business, when conducting that business on the Internet. Credibility is a huge issue.

For a message to be effective keep it short, simple, crisp and easy to absorb. It is essential to translate the products/services offer into meaningful customer benefit by advertising and to build awareness and generate response.

REMEMBER: - THE AIDA MODEL -ATTENTION, INTEREST, DESIRE AND ACTION.

In the modern scenario, most of the companies outsource their advertising activities to an advertising/ad agency which is a service business dedicated to creating, planning and handling advertising and sometimes also performs other forms of promotion like public relations, publicity and sales promotion for its client.

Departments of the advertising agency include:

- ❖ The Creative Department who creates an actual advertisement,
- ❖ Account Service who is responsible for co -coordinating the creative team, the client, media and the production staff,
- ❖ Creative Service Production here the employees are the people who have contacts with the suppliers of various creative media),
- ❖ Other department and Personnel Like public relations

As said by David Ogilvy once that the relationship between a manufacturer and his advertising agency is almost as intimate as the relationship between a patient and his doctor. Make sure that you can life happily with your prospective client before you accept his account.

Thus, let's conclude by the famous words of Bruce Barton 1955, "Advertising is of the very essence of democracy. An election goes on every minute of the business day across the counters of hundreds of thousands of stores and shops where the customers state their preferences and determine which manufacturer and which product shall be the leader today, and which shall lead tomorrow."

Marketing Communications Mix is:

The specific mix of advertising, personal selling, sales promotion, and public relations a company uses to pursue its advertising and marketing objectives.



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The Marketing Communications Environment is changing:

- Mass markets have fragmented, causing marketers to shift away from mass marketing
- Improvements in information technology are facilitating segmentation
- Conflicting messages from different sources or promotional approaches can confuse company or brand images
- The Web alone cannot be used to build brands; brand awareness potential is limited
- Best bet is to wed traditional branding efforts with the interactivity and service capabilities of online communications
- Web efforts can enhance relationships
- The concept under which a company carefully integrates and coordinates its many communications channels to deliver a clear, consistent, and compelling message about the organization and its products.

4.1 The Communication Process

- Communications efforts should be viewed from the perspective of managing customer relationships over time.
- The communication process begins with an audit of all potential contacts.
- Effective communication requires knowledge of how communication works.

The Communication Process comprise of:-

- Sender
- Message
- Media
- Receiver
- Encoding
- Decoding
- Response
- Feedback

Developing Effective Communication

Step 1

Identifying the Target Audience

Affects decisions related to what, how, when, and where message will be said, as well as who will say it



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Step 2

Determining Communication

Six buyer readiness stages

- ✓ Awareness
- ✓ Knowledge
- ✓ Liking
- ✓ Preference
- ✓ Conviction
- ✓ Purchase

Step 3

Designing a Message

AIDA framework guides message design

Message content contains appeals or themes designed to produce desired results

- ❖ *Rational appeals*
- ❖ *Emotional appeals*
 - Love, pride, joy, humor, fear, guilt, shame
- ❖ *Moral appeals*

Step 4

Designing a Message

Message Structure

Key decisions are required with respect to three message structure issues:

- ❖ *Whether or not to draw a conclusion*
- ❖ *One-sided vs. two-sided argument*
- ❖ *Order of argument presentation*

Message Format: Design, layout, copy, color, shape, movement, words, sounds, voice, body language, dress, etc.

Step 5

Choosing Media

Personal communication channels

- ❖ *Includes face-to-face, phone, mail, and Internet chat communications*
- ❖ *Word-of-mouth influence is often critical*
- ❖ *Buzz marketing cultivates opinion leaders*

Non-personal communication channels

- ❖ *Includes media, atmosphere, and events*



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Step 6

Selecting the Message Source

Highly credible sources are more persuasive

A poor spokesperson can tarnish a brand

Step 7

Collecting Feedback

Recognition, recall, and behavioral measures are assessed

May suggest changes in product/promotion

Setting the Promotional Budget and Mix

- Setting the Total Promotional Budget
 - Affordability Method
 - ❖ *Budget is set at a level that a company can afford*
 - Percentage-of-Sales Method
 - ❖ *Past or forecasted sales may be used*
 - Competitive-Parity Method
 - ❖ *Budget matches competitors' outlays*
- Setting the Total Promotional Budget
 - Objective-and-Task Method
 - ❖ *Specific objectives are defined*
 - ❖ *Tasks required to achieve objectives are determined*
 - ❖ *Costs of performing tasks are estimated, then summed to create the promotional budget*
- *Advertising*
- *Personal Selling*
- *Sales Promotion*
- *Public Relations*
- *Direct Marketing*

- Most effective tool for building buyers' preferences, convictions, and actions
- Personal interaction allows for feedback and adjustments
- Relationship-oriented
- Buyers are more attentive
- Sales force represents a long-term commitment
- Most expensive of the promotional tools



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- Many forms: Telephone marketing, direct mail, online marketing, etc.
- Four distinctive characteristics:
 - Nonpublic
 - Immediate
 - Customized
 - Interactive
- Well-suited to highly targeted marketing efforts
- Promotion Mix Strategies
 - *Push strategy*: trade promotions and personal selling efforts push the product through the distribution channels.
 - *Pull strategy*: producers use advertising and consumer sales promotions to generate strong consumer demand for products.
- *Checklist*: Integrating the Promotion Mix
 - Analyze trends internal and external
 - Audit communications spending
 - Identify all points of contact
 - Team up in communications planning
 - Make all communication elements compatible
 - Create performance measures
 - Appoint an IMC manager

Socially Responsible Communications

- Advertising and Sales Promotion
 - Avoid false and deceptive advertising
 - ❖ *Bait and switch advertising*
 - Trade promotions cannot favor certain customers over others
 - Use advertising to promote socially responsible programs and actions

Personal Selling

- Salespeople must follow the rules of “fair competition”
- Three day cooling-off rule protects ultimate consumers from high pressure tactics
- Business-to-business selling
 - ❖ *Bribery, industrial espionage, and making false and disparaging statements about a competitor are forbidden*

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4.2 Communication

Communication is the process of creating or sharing meaning in informal conversation, group interaction, or public speaking. The process includes participants, context, messages, channels, presence or absence of noise, and feedback. In communication the people who communicate are called **participants**. There are two types of participants. There are the **receivers** and the **senders**. As the senders, they retrieve the information and attempt to communicate with others whereas the receivers, they process the information and decide how to react to it. The historical context includes the background provided by previous communication episodes between the participants. The last type context that is used in communication is cultural context, which are the beliefs, values, attitudes, meanings, social hierarchies, religion, notions of time, and roles of a group of people.

In communication, there are different kinds of context: **Physical, Social, Historical, and Psychological, and cultural**. Whereas, decoding is the process of transforming messages back into ideas. The next element of messages is **symbols** which are words and sounds and actions that represent specific content meaning. By definition, meaning is the ideas and feelings that exist in your mind. Sometimes in communication, **decoding** is more difficult when the participant uses words that the receiver does not understand when encoding. We use facial expressions to show how we feel nonverbally. Another element of messages is encoding and decoding.

Communication is all about receiving and sending messages which include the elements of **meaning, symbols, encoding and decoding, and organization**. The social context is the purpose of the event as well as the existent relationships between and among the participants. Where the communication is taken place influences what and how messages are formed, and understood. Also, the encoding process is made more difficult when verbal and nonverbal cues conflict.

Communication Process

Every day of our lives we communicate with different people and our methods and effectiveness of doing so differ depending on the individual, the circumstance and the degree to which we are interested. Communication is the process of sending and receiving messages with attached meaning, and can be both verbal and non-verbal. **In this Information Age we live in, increasing efforts are being made to**

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maximize the efficiency and effectiveness of information transfer: communication.

There are various tools used to communicate: telephones, faxes, e-mails and many more. However, regardless of the tool being used the effectiveness of the process lies ultimately with the individual.

We all have our strengths and weaknesses, and in an attempt to identify our weaknesses, each member of our group consulted with co-workers, family and friends. We were in some cases shocked at the feedback received.

Advertising aims must be sloping around the communication process. Communication tasks are building up brand alertness, altering consumer thoughts, colligating pleasing ideas with products, and communicating customer about product dimensions and properties.

The elemental determination of advertising is to assist sale probability of a product or a service. Advertising as a promotional technique augments tendency to purchase, moving the prospect gradually towards the product to make a purchase decision. Of course, advertising is only one of several communication forces. It actuates the buyer through consecutive stages such as **awareness, comprehension or recognition, conviction and action.**

Advertising objectives may be divided into four stages of commercial communication which are explained below: -

Cognizance: The prospect must be informed about the subsistence of the brand or company in the market. Awareness is the bare minimum goal of advertising. The buying process starts after informing the consumer about the product or service.

Conception: The prospect must understand what the product is and what it will do for him. The apprehension level indicates that people are not only aware of the brand or company but they also know the brand name and can be familiar with the package or trademark. But they are not yet influenced that they want to buy.

Conviction: The prospect must be mentally convinced to buy the brand or the product. The convinced level shows brand preference and intention to buy the product in the near future.

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Action: the prospect takes meaningful action. Purchase decision is duly taken. These four goals of ad in communication terms are measurable results.

4.3 Theories applied to Advertising

Among advertising theories, the hierarchy-of-effects model is predominant. It shows clear steps of how advertising works. Hierarchy can be explained with the help of a pyramid. First the lower level objectives such as awareness, knowledge or comprehension are accomplished.

Subsequent objectives may focus on moving prospects to higher levels in the pyramid to elicit desired behavioral responses such as associating feelings with the brand, trial, or regular use etc. it is easier to accomplish ad objectives located at the base of the pyramid than the ones towards the top. The percentage of prospective customers will decline as they move up the pyramid towards more action oriented objectives, such as regular brand use.

Awareness:

If most of the target audience is unaware of the object, the communicator's task is to build awareness, perhaps just name recognition, with simple messages repeating the product name. Consumers must become aware of the brand. This isn't as straightforward as it seems. Capturing someone's attention doesn't mean they will notice the brand name. Thus, the brand name needs to be made focal to get consumers to become aware. Magazines are full of ads that will capture your attention, but you'll have trouble easily seeing the brand name.

Knowledge:

The target audience might have product awareness but not know much more; hence this stage involves creating brand knowledge. This is where comprehension of the brand name and what it stands for become important. What are the brand's specific appeals, its benefits? In what way is it different than competitor's brands? Who is the target market? These are the types of questions that must be answered if consumers are to achieve the step of brand knowledge.

Liking:

If target members know the product, how do they feel about it? If the audience looks unfavourably towards the product to communicator has to find out why. If the unfavorable view is based on real problems, a communication campaigns alone



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cannot do the job. For product problem it is necessary to first fix the problem and only then can you communicate its renewed quality.

Preference:

The target audience might like the product but not prefer it to others. In this case, the communicator must try to build consumer preference by promoting quality, value, performance and other features. The communicator can check the campaigns success by measuring audience preference before and after the campaign.

Conviction:

A target audience might prefer a particular product but not develop a conviction about buying it. The communicator's job is to build conviction among the target audience.

Purchase:

Finally, some members of the target audience might have conviction but not quite get around to making the purchase. They may wait for more information or plan to act later. The communicator must need these consumers to take the final step, perhaps by offering the product at a low price, offering a premium, or letting consumers tried out. This is where consumers make a move to actually search out information or purchase.

Thus advertising is thought to work and follow a certain sequence whereby the prospect is moved through a series of stages in succession from unawareness to the purchase of the product.

Advertising cannot induce immediate behavioral response; rather a series of mental effects must occur with the fulfillment at each stage before progress to the next stage is possible.

AIDA model shows a set of stair-step stages which describe the process leading a potential customer to purchase.

The stages, Attention, Interest, Desire, and Action, form a linear hierarchy.

- It demonstrates that consumers must be aware of a product's existence,
- Be interested enough to pay attention to the product's features/benefits, and
- Have a desire to benefit from the product's offerings.

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- Action, the fourth stage, would come as a natural result of movement through the first three stages. Although this idea was rudimentary, it led to the later emerging field of consumer behavior research.

Awareness- the elaborate advertisement where *Mukesh Ambani* spoke about the new project being introduced on his father's 70th birthday.

Interest- was generated as the company spokesperson featured in the ad, as a representative of the company image and also spoke about introducing a new technology – CDMA.



Desire- was created with various offers like free SMS, 40paise STD calls, easy payment schemes, and discount coupons worth Rs. 1 lakh.

Action- *Dhirubhai Ambani* Pioneer offers induced people to go for the product. The organizations handle their advertising in different ways. In small companies, advertising is handled by someone in the sales or marketing department, who works with an ad agency. A large company will often set up its own advertising department or else hire an ad agency to do the job of preparing advertising programmes.

In developing a program, marketing managers must always start by identifying the target market and the buyer's motives. Then they can make the five major decisions in developing an advertising program, known as the five M's, viz.

- **Mission:** what are the advertising objectives?
- **Money:** how much can be spent?
- **Message:** what message can be sent?
- **Media:** what media should be used
- **Measurement:** how should the results is evaluated?



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UNIT 5. ADVERTISING AS A MARKETING TOOL

5.1. Concept of Marketing & Advertising

Because advertising is such a complex science the only real way to be sure that something will work before you try it is to refer to previous indicators, and if you've no previous statistics or reliable data then run 'pilot' or trial first. Start measuring the effectiveness of your advertising from the very beginning. Keep detailed records of what you did, when, to whom, for how much, and what resulted. Admittedly the results of certain advertising can be quite difficult to measure, particularly where no direct response is sought, but measure everything in whatever way you can.

Market information should include anything you need to know in order to formulate strategy and make business decisions.

The main elements you typically need to understand and quantify are:

- Customer profile and mix
- Product mix
- Demographic issues and trends
- Future regulatory and legal effects
- Prices and values, and customer perceptions in these areas
- Competitor activities
- Competitor strengths and weaknesses
- Customer service perceptions, priorities and needs

Establish your corporate aims

Business strategy is partly dictated by what makes good business sense, and partly by the subjective, personal wishes of the owners. There is no point in developing and implementing a magnificent business growth plan if the owners wish the business to maintain its current scale.

State your business objectives - short, medium and long term.

Mindful of the trading environment external factors and the corporate aims internal factors, there should be stated the business's objectives. What is the business aiming to do over the next one, three and five years? These objectives must be quantified and prioritized wherever possible.



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Define your 'Mission Statement'

All the best businesses have a 'mission statement'. It announces clearly and briefly to your staff, shareholders and customers what you are in business to do. Your mission statement may build upon a general 'service agreement' relevant to your industry. The act of producing and announcing the Mission Statement is an excellent process for focusing attention on the business's priorities, and particularly the emphasis on customer services.

Write business plan - include costs, resources and 'sales' targets

Your business plan, which deals with all aspects of the resource and management of the business, will include many decisions and factors fed in from the marketing process. It will state sales and profitability targets by activity. There may also be references to image and reputation, and to public relations. All of these issues require some investment and effort if they are to result in a desired effect, particularly any relating to increasing numbers of customers and revenue growth.

Write your marketing plan

Your marketing plan is actually a statement, supported by relevant financial data, of how you are going to develop your business.

"What you are going to sell to whom, when and how you are going to sell it, and how much you will sell it for."

In most types of businesses it is also essential that you include measurable aims concerning customer service and satisfaction. The marketing plan will have costs that relate to a marketing budget in the business plan. The marketing plan will also have revenue and gross margin/profitability targets that relate to the turnover and profitability in the business plan. The marketing plan will also detail quite specifically those activities, suppliers and staff issues critical to achieving the marketing aims.

Being able to refer to aspects of organizational Philosophy and Values is very helpful in formulating the detail of a marketing plan.

5.2. The Marketing Mix-The 5 P's

- Product

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- Price
- Place distribution
- Promotion
- People

The 5 "P's" of marketing include:

Product - The products or services offered to your customers/clients.

Price - The strategies you use with regard to pricing your products or services with the goal of making a desired profit margin.

Place Distribution) - How you get your products or services to your target market.

Promotion - How you communicate the features and benefits and endorse your products or services to your customers or clients.

People - The value your people bring to your business by providing service to your customers and clients.

The Marketing Mix



Product

The product is the physical product or service offered to the consumer. In the case of physical products, it also refers to any services or conveniences that are part of



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the offering. Product decisions include aspects such as function, appearance, packaging, service, warranty, etc.

Price

Pricing decisions should take into account profit margins and the probable pricing response of competitors. Pricing includes not only the list price, but also discounts, financing, and other options such as leasing.

Promotion

Promotion decisions are those related to communicating and selling to potential consumers. Since these costs can be large in proportion to the product price, a break-even analysis should be performed when making promotion decisions. It is useful to know the value of a customer in order to determine whether additional customers are worth the cost of acquiring them. Promotion decisions involve advertising, public relations, media types, etc.

People

People decisions are those related to customer service. How do you want your workers to appear to your customers? There are a range of service profiles from service with a smile - McDonald's, to classier Nordstroms, to plain rude. The function of people is to present an appearance, an attitude, etc.

Place

Place or placement decisions are those associated with channels of distribution that serve as the means for getting the product to the target customers. The distribution system performs transactional, logistical, and facilitating functions. Distribution decisions include market coverage, channel member selection, logistics, and levels of service.

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Summary of Marketing Mix Decisions

Product	People	Price	Place	Promotion
Functionality	Service	List price	Channel members	Advertising
Appearance	Appearance	Discounts	Channel	Personal
Quality	Uniforms	Allowances	motivation	selling
Packaging	Attitude	Financing	Market coverage	Public
Brand		Leasing	Locations	relations
Warranty		options	Logistics	Message
Service/Support			Service levels	Media
				Budget

5.3. ADVERTISEMENTS AND ITS EFFECTS

The Benefits of Advertising

Enormous human and material resources are devoted to advertising. Advertising is everywhere in today's world, so that, as Pope Paul VI remarked, "No one now can escape the influence of advertising." Even people who are not themselves exposed to particular forms of advertising confront a society, a culture — other people — affected for good or ill by advertising messages and techniques of every sort.

Some critics view this state of affairs in unrelieved negative terms. They condemn advertising as a waste of time, talent and money — an essentially parasitic activity. In this view, not only does advertising have no value of its own, but also its influence is entirely harmful and corrupting for individuals and society.

But advertising also has significant potential for good, and sometimes it is realized. Here are some of the ways that happens.

a Economic Benefits of Advertising

Advertising can play an important role in the process by which an economic system guided by moral norms and responsive to the common good contributes to human development. It is a necessary part of the functioning of modern market economies, which today either exist or are emerging in many parts of the world and which — provided they conform to moral standards based upon integral human development. In such a system, advertising can be a useful tool for sustaining honest and ethically responsible competition that contributes to economic growth in the service of authentic human development.

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Advertising does this, by informing people about the availability of rationally desirable new products and services and improvements in existing ones, helping them to make informed, prudent consumer decisions, contributing to efficiency and the lowering of prices, and stimulating economic progress through the expansion of business and trade. All of these can contribute to the creation of new jobs, higher incomes and a more decent and humane way of life for all.

b Benefits of Political Advertising

Political advertising can make a contribution to democracy, to its contribution to economic well being in a market system guided by moral norms. Political advertising can make its contribution by informing people about the ideas and policy proposals of parties and candidates, including new candidates not previously known to the public.

c) Cultural Benefits of Advertising

Because of the impact advertising has on media that depend on it for revenue, advertisers have an opportunity to exert a positive influence on decisions about media content. This they do by supporting material of excellent intellectual, aesthetic and moral quality presented with the public interest in view, and particularly by encouraging and making possible media presentations which are oriented to minorities whose needs might otherwise go not served.

Moreover, advertising can itself contribute to the betterment of society by uplifting and inspiring people and motivating them to act in ways that benefit themselves and others. Advertising can brighten lives simply by being witty, tasteful and entertaining.

d Moral and Religious Benefits of Advertising

In many cases, too, benevolent social institutions, including those of a religious nature, use advertising to communicate their messages — messages of faith, of patriotism, of tolerance, compassion and neighborly service, of charity toward the needy, messages concerning health and education, constructive and helpful messages that educate and motivate people in a variety of beneficial ways.

5.4 The harm done by advertising

There is nothing intrinsically good or intrinsically evil about advertising. It is a tool, an instrument: it can be used well, and it can be used badly. If it can have, and sometimes does have, beneficial results such as those just described, it also can, and often does, have a negative, harmful impact on individuals and society.

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a Economic Harms of Advertising

Advertising can betray its role as a source of information by misrepresentation and by withholding relevant facts. Sometimes, too, the information function of media can be subverted by advertisers' pressure upon publications or programs not to treat of questions that might prove embarrassing or inconvenient.

More often, though, advertising is used not simply to inform but to persuade and motivate — to convince people to act in certain ways: buy certain products or services, patronize certain institutions, and the like. This is where particular abuses can occur.

The practice of "brand"-related advertising can raise serious problems. Often there are only negligible differences among similar products of different brands, and advertising may attempt to move people to act on the basis of irrational motives "brand loyalty," status, fashion, "sex appeal," etc. instead of presenting differences in product quality and price as bases for rational choice.

b Harms of Political Advertising

Political advertising can support and assist the working of the democratic process, but it also can obstruct it. This happens when, for example, the costs of advertising limit political competition to wealthy candidates or groups, or require that office-seekers compromise their integrity and independence by over-dependence on special interests for funds.

Such obstruction of the democratic process also happens when, instead of being a vehicle for honest expositions of candidates' views and records, political advertising seeks to distort the views and records of opponents and unjustly attacks their reputations. It happens when advertising appeals more to people's emotions and base instincts — to selfishness, bias and hostility toward others, to racial and ethnic prejudice and the like — rather than to a reasoned sense of justice and the good of all.

c) Cultural Harms of Advertising

Advertising also can have a corrupting influence upon culture and cultural values. We have spoken of the economic harm that can be done to developing nations by advertising that fosters consumerism and destructive patterns of consumption.

The indirect but powerful influence exerted by advertising upon the media of social communications that depend on revenues from this source points to another



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sort of cultural concern. In the competition to attract ever-larger audiences and deliver them to advertisers, communicators can find themselves tempted — in fact pressured, subtly or not so subtly — to set aside high artistic and moral standards and lapse into superficiality.

All too often, advertising contributes to the invidious stereotyping of particular groups that places them at a disadvantage in relation to others. This often is true of the way advertising treats women; and the exploitation of women, both in and by advertising, is a frequent, deplorable abuse.

d Moral and Religious Harms of Advertising

Advertising can be tasteful and in conformity with high moral standards, and occasionally even morally uplifting, but it also can be vulgar and morally degrading. Frequently it deliberately appeals to such motives as envy, status seeking and lust. Today, too, some advertisers consciously seek to shock and titillate by exploiting content of a morbid, perverse, pornographic nature.

We note, too, certain special problems relating to advertising that treats of religion or pertains to specific issues with a moral dimension.

In cases of the first sort, commercial advertisers sometimes include religious themes or use religious images or personages to sell products. It is possible to do this in tasteful, acceptable ways, but the practice is obnoxious and offensive when it involves exploiting religion or treating it flippantly. In cases of the second sort, advertising sometimes is used to promote products and inculcate attitudes and forms of behavior contrary to moral norms.

Within this very general framework, we can identify several moral principles that are particularly relevant to advertising. We shall speak briefly of three: **truthfulness, the dignity of the human person, and social responsibility.**

a Truthfulness in Advertising

Even today, some advertising is simply and deliberately untrue. Generally speaking, though, the problem of truth in advertising is somewhat more subtle: it is not that advertising says what is overtly false, but that it can distort the truth by implying things that are not so or withholding relevant facts.

To be sure, advertising, like other forms of expression, has its own conventions and forms of stylization, and these must be taken into account when discussing truthfulness. People take for granted some rhetorical and symbolic exaggeration in



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advertising; within the limits of recognized and accepted practice, this can be allowable.

b The Dignity of the Human Person

There is an "imperative requirement" that advertising "respects the human person, his right duty to make a responsible choice, his interior freedom; all these goods would be violated if man's lower inclinations were to be exploited, or his capacity to reflect and decide compromised."

Advertising can violate the dignity of the human person both through its content — what is advertised, the manner in which it is advertised — and through the impact it seeks to make upon its audience. This problem is especially acute where particularly vulnerable groups or classes of persons are concerned: children and young people, the elderly, the poor, and the culturally disadvantaged.

Much advertising directed at children apparently tries to exploit their credulity and suggestibility, in the hope that they will put pressure on their parents to buy products of no real benefit to them. Advertising like this offends against the dignity and rights of both children and parents; it intrudes upon the parent-child relationship and seeks to manipulate it to its own base ends. Also, some of the comparatively little advertising directed specifically to the elderly or culturally disadvantaged seems designed to play upon their fears so as to persuade them to allocate some of their limited resources to goods or services of dubious value.

c) Advertising and Social Responsibility

Advertising that fosters a lavish life style which wastes resources and despoils the environment offends against important ecological concerns. "In his desire to have and to enjoy rather than to be and grow, man consumes the resources of the earth and his own life in an excessive and disordered way. ... Man thinks that he can make arbitrary use of the earth"

Advertising that reduces human progress to acquiring material goods and cultivating a lavish life style expresses a false, destructive vision of the human person harmful to individuals and society alike.

When people fail to practice "a rigorous respect for the moral, cultural and spiritual requirements, based on the dignity of the person and on the proper identity of each community, beginning with the family and religious societies," then even material abundance and the conveniences that technology makes available "will prove unsatisfying and in the end contemptible."

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Harms of advertisements to children



- Children are bombarded with "unrealistic and unachievable images" of what they should look like, leading to an increase in anorexia, bulimia and eating disorders.
- Boys as young as 14 are using anabolic steroids to grow faster and bigger.
- More than half of children know someone who has been bullied because they did not have the latest gadgets or most fashionable clothes.
- Girls want to be slimmer.
- There is a disturbing trend for girls to wear provocative clothes and make-up.
- Children say there is too much pressure to look perfect and wear the latest fashions.
- Many are unhappy with how they look.

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UNIT 6. ADVERTISING AS A PR TOOL

6.1. What is Public Relations?

Public relations involve the cultivation of favorable relations for organizations and products with its key publics through the use of a variety of communications channels and tools. Traditionally, this meant public relations professionals would work with members of the news media to build a favorable image by publicizing the organization or product through stories in print and broadcast media.

But today the role of Public Relations is much broader and includes:

Building awareness and a favorable image for a company or client within stories and articles found in relevant media outlets closely monitoring numerous media channels for public comment about a company and its products managing crises that threaten company or product image building goodwill among an organization's target market through community, philanthropic and special programs and events.

6.2 Advantages of PR

First, PR is often considered a highly credible form of promotion. One of PR's key points of power rests with helping to establish credibility for a product, company or person e.g., CEO in the minds of targeted customer groups by capitalizing on the influence of a third-party the media.

Second, a well-structured PR campaign can result in the target market being exposed to more detailed information than they receive with other forms of promotion. That is, media sources often provide more space and time for explanation of a product.

Third, depending on the media outlet, a story mentioning a company may be picked up by a large number of additional media, thus, spreading a single story to many locations.

Finally, in many cases public relations objectives can be achieved at very low cost when compared to other promotional efforts. This is not to suggest public relations is not costly, it may be, especially when a marketer hires PR professionals to handle the work. But when compared to the direct cost of other promotions, in particular advertising, the return on promotional expense can be quite high.



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6.3 Disadvantages of PR

While public relations hold many advantages for marketers, there are also concerns when using this promotional technique. First, while public relations uses many of the same channels as advertising, such as newspapers, magazines, radio, TV and Internet, it differs significantly from advertising in that marketers do not have direct control over whether a message is delivered and where it is placed for delivery. For instance, a marketer may spend many hours talking with a magazine writer, who is preparing an industry story, only to find that their company is never mentioned in the article.

Second, while other promotional messages are carefully crafted and distributed as written through a pre-determined placement in a media vehicle, public relations generally conveys information to a member of the news media e.g., reporter) who then re-crafts the information as part of a news story or feature. Thus, the final message may not be precisely what the marketer planned.

Third, while a PR campaign has the potential to yield a high return on promotional expense, it also has the potential to produce the opposite if the news media feels there is little value in running a story pitched i.e., suggested via communication with the news outlet by the marketer.

Fourth, with PR there is always a chance that a well devised news event or release will get “bumped” from planned media coverage because of a more critical breaking news story, such as wars, severe weather or serious crime.

. Public Relations Tools

Media Relations

Media Tours

Newsletters

Special Events

Speaking Engagements

Sponsorships

Employee Relations

Community Relations and Philanthropy



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6.4. How Advertising Differs From Public Relations

All business owners have a common goal. To see that their product, whether it takes the form of hard goods, a service, or an idea, gets to the end user where it is purchased.

This process of getting the product to the user and all the decisions made to facilitate this movement is called Marketing. "Marketing" means focusing all efforts having to do with Production, Pricing, Promoting, and placing the product on people - selected groups called target markets - rather than the product itself.

Promotion is the arm of marketing that lets you communicate with people. The common term these days is "Marketing Communications". When we plan how to promote a product, we have the following "tools" to work with:

- Advertising
- Sales Promotion including Collateral Materials
- Public Relations
- Personal Selling
- Direct Marketing



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Advertising	Public Relations
Space or time in the mass media must be paid for	Coverage in mass media, if any, is not paid for
The message you put out is determined by you	Interpretation of the message is in the hands of the media
Timing of the message is controlled by you	Timing of the message is in the hands of the media
Uses the mass media	Efforts may use mass media or any of several more personal venues e.g., speaking engagements, community involvement, team or program sponsorships, lobbying, and facilities tours
One-way communication - using the mass media does not allow for receiving feedback	Two-way communication - the company should be listening as well as talking and the various public relations venues often provide for immediate feedback
Message sponsor is identified	Message sponsor is not overtly identified
The intention of most messages is to inform, persuade, or remind about a product - usually with the intention of making a sale	The intention of public relations efforts is often to create good will, to keep the company and/or product in front of the public, or to humanize a company so the public relates to its people or reputation rather than viewing the company as a non-personal "It"
The public may view the message as commercial because the public recognizes advertising as an attempt to persuade or, in some cases, manipulate them	the public often sees public relations messages that have been covered by the media as news and therefore, regard it as more neutral or believable
Very powerful at creating image	Can also create image, but can sometimes stray from how it was originally intended
Writing style is usually persuasive, can be very creative, often taking a conversational tone - may even be grammatically incorrect	Writing style relies heavily on journalism talents - any persuasion is artfully inserted in the fact-based content - and most press releases follow an inverted pyramid style of writing



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A Few Additional Points

Public Relations was at one time considered a different department than Marketing. It was and still is used to manage people's opinions about a firm and its activities. It was and still is used to manage crises that may confront a firm. But firms now realize as some always did that public relations is a forceful promotional tool that can and should be coordinated with any Personal Selling, Advertising, or Sales Promotion strategies.

This Integrated Marketing approach has gained popularity - especially in the '90's when consumers demand social responsibility, two-way communication, and personalized service from businesses in addition to basic product information.

Many feel advertising has become less effective because of message saturation and certain wariness some would say cynicism among consumers, particularly young ones. As a result, more and more companies have turned to increasing public awareness and loyalty by supporting consumers' interests. In fact, public relations principles now often overlay entire marketing strategies.

But one important note, Public Relations is a very visible expression of corporate vision and culture. It is not a theme or a slogan that changes with the advertising agency or at the whim of a single person. It is a management function and a statement of corporate values and beliefs.

If you say you want to preserve the environment, your actions should support that even off the job. If you are good at creating an image for your company, it will stick in consumers' minds for a long time. You cannot say you are a "Family First" company and then not offer maternity leave to employees internal P.R. and sponsor Club Med Singles Cruises external P.R.

Your advertising will also take on an identity, if done correctly. Again, what the consumer sees has to match the consumer's experiences. All the color, humor, music, personality, and award-winning writing in the world will not work if the consumer does not like the product or if the razzle-dazzle takes them to a sedate, old-fashioned store.

Both Advertising and Public Relations require some expertise. Do-it-yourself work can be thrifty, but if you have a lot at stake - like your company's image or your bottom line - follow Ann Landers' time-tested advice: Get professional help.



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UNIT 7. ADVERTISING THEORIES

Basic principles of advertising

Decency
Honest
Social responsibility
Truthful presentation
Comparisons
Unassembled Merchandise
Testimonials
Portrayal or imitation of personal property
Exploitation of goodwill
Imitation
Identification of ads
Safety & health
Basic principles of advertising:
Children & young people
Inexperience and credulity

7.1. Ethical Advertising Standard

For the purpose of this standard:

- The term "advertisement" is taken in its broadest sense, and means any form of advertising for goods or services, regardless of the medium used;
- The term "product" refers to any good or service;
- The term "consumer" refers to any person to whom an advertisement is addressed or who can reasonably be expected to be reached by it whether as a final consumer or as a trade customer or user.

Basic Principles

- All advertising should be legal, decent, honest and truthful. Every advertisement should be prepared with a due sense of social responsibility and should conform to the principles of fair competition, as generally accepted in business.
- No advertisement should be such as to impair public confidence in advertising.



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Decency

1. Advertisements should not contain statements or visual presentations, which offend prevailing standards of decency.

Honest

1. Advertisements should be so framed as not to abuse the trust of consumers or exploit their lack of experience or knowledge.

Social Responsibility

1. Advertisements should not condone any form of discrimination, including that based upon race, national origin, religion, sex or age, nor should they in any way undermine human dignity.
2. Advertisements should not without justifiable reason play on fear.
3. Advertisements should not appear to condone or incite violence, or to encourage unlawful or reprehensible behavior.
4. Advertisements should not play on superstition.

Truthful presentation

1. Advertisements should not contain any statement or visual presentation, which directly or by implication, omission, ambiguity or exaggerated claim is likely to mislead the consumer, in particular with regard to:

- Characteristics such as: nature, composition, method and date of manufacture, range of use, efficiency and performance, quantity, commercial or geographical origin or environmental impact;
- The value of the product and the total price actually to be paid;
- Delivery, exchange, return, repair and maintenance;
- Terms of guarantee;
- Copyright and industrial property rights such as patents, trademarks, designs and models and trade names;
- Official recognition or approval, awards of medals, prizes and diplomas;
- The extent of benefits for charitable causes.

2. Advertisements should not misuse research results or quotations from technical and scientific publications. Statistics should not be so presented as to exaggerate the validity of advertising claims. Scientific terms should not be used to falsely ascribe scientific validity to advertising claims.

Comparisons

1. Advertisements containing comparisons should be so designed that the comparison is not likely to mislead, and should comply with the principles of fair



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competition. Points of comparison should be based on facts that can be substantiated and should not be unfairly selected.

Unassembled Merchandise

1. When advertised merchandise requires partial or complete assembly by the purchaser; the advertising should disclose that fact, e.g., "unassembled," "partial assembly required."

Testimonials

1. Advertisements should not contain or refer to any testimonial or endorsement unless it is genuine, verifiable, and relevant and based on personal experience or knowledge. Testimonials or endorsements that have become obsolete or misleading through passage of time should not be used.

Portrayal or imitation of personal property

1. Advertisements should not portray or refer to any persons, whether in a private or a public capacity, unless prior permission has been obtained; nor should advertisements without prior permission depict or refer to any person's property in a way likely to convey the impression of a personal endorsement.

Exploitation of goodwill

1. Advertisements should not make unjustifiable use of the name, initials, logo and/or trademarks of another firm, company or institution nor should advertisements in any way take undue advantage of another firm, person or institution's goodwill in its name, trade name or other intellectual property, nor should advertisements take advantage of the goodwill earned by other advertising campaigns.

Imitation

1. Advertisements should not imitate the general layout, text, slogan, visual presentation, music and sound effects, etc., of any other advertisements in a way that is likely to mislead or confuse the consumer.

2. Where advertisers have established distinctive advertising campaigns in one or more countries, other advertisers should not unduly imitate these campaigns in the other countries where the former may operate, thus preventing them from extending their campaigns within a reasonable period of time to such countries.

Identification of Advertisement

1. Advertisements should be clearly distinguishable as such, whatever their form



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and whatever the medium used; when an advertisement appears in a medium which contains news or editorial matter, it should be so presented that it will be readily recognized as an advertisement.

Safety and health

1. Advertisements should not without reason, justifiable on educational or social grounds, contain any visual presentation or any description of dangerous practices or of situations, which show a disregard for safety or health.

Children and young people

1. The following provisions apply to advertisements addressed to children and young people who are minors under the applicable national law.

Inexperience and Credulity

- Advertisements should not exploit the inexperience or credulity of children and young people.
- Advertisements should not understate the degree of skill or age level generally required to use or enjoy the product.
- Special care should be taken to ensure that advertisements do not mislead children and young people as to the true size, value, nature, durability and performance of the advertised product.
- If extra items are needed to use it e.g., batteries or to produce the result shown or described e.g., paint this should be made clear.
- A product that is part of a series should be clearly indicated, as should the method of acquiring the series.
- Where results of product use are shown or described, the advertisement should represent what is reasonably attainable by the average child or young person in the age range for which the product is intended.
- Price indication should not be such as to lead children and young people to an unreal perception of the true value of the product, for instance, by using the word 'only'. No advertisements should imply that the advertised product is immediately within reach of every family budget.

Avoidance of Harm

Advertisements should not contain any statement or visual presentation that could have the effect of harming children and young people mentally, morally or physically or of bringing them into unsafe situations or activities seriously threatening their health or security, or of encouraging them to consort with strangers or to enter strange or hazardous places.



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Guarantees

Advertisements should not contain any reference to a guarantee, which does not provide the consumer with additional rights to those provided by law. Advertisements may contain the word "guarantee", "guaranteed", "warranty" or "warranted" or words having the same meaning only if the full terms of the guarantee as well as the remedial action open to the purchaser are clearly set out in the advertisements, or are available to the purchaser in writing at the point of sale, or come with the goods.

Unsolicited products

Advertisements should not be used to introduce or support the practice whereby unsolicited products are sent to persons who are required, or given the impression that they are obliged to accept and pay for these products.

Claimed Results

Claims as to energy savings, performance, safety, efficacy, results, etc. which will be obtained by or realized from a particular product or service should be based on recent and competent scientific, engineering or other objective data.

Layout and Illustrations

The composition and layout of advertisements should be such as to minimize the possibility of misunderstanding by the reader. For example, prices, illustrations, or descriptions should not be so placed in an advertisement as to give the impression that the price or terms of featured merchandise apply to other merchandise in the advertisement when such is not the fact. An advertisement should not be used which features merchandise at a price or terms boldly displayed, together with illustrations of higher-priced merchandise, so arranged as to give the impression that the lower price or more favorable terms apply to the other merchandise, when such is not the fact.

Asterisks and Abbreviations

1. An asterisk may be used to impart additional information about a word or term, which is not in itself inherently deceptive. The asterisk or other reference symbol should not be used as a means of contradicting or substantially changing the meaning of any advertising statement. Information referenced by asterisks should be clearly and prominently disclosed.

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2. Commonly known abbreviations may be used in advertising. However, abbreviations not generally known to or understood by the general public should be avoided.

Environmental behavior

Advertisements should not appear to approve or encourage actions, which contravene the law, self-regulating codes or generally accepted standards of environmentally responsible behavior.

Responsibility

1. Responsibility for the observance of the rules of conduct laid down in the Code rests with the advertiser, the advertising practitioner or agency, and the publisher, media owner or contractor.

- Advertisers should take the overall responsibility for their advertising.
- Advertising practitioners or agencies should exercise every care in the preparation of advertisements and should operate in such a way as to enable advertisers to fulfill their responsibilities.
- Publishers, medium-owners or contractors, who publish, transmit or distribute advertisements should exercise due care in the acceptance of advertisements and their presentation to the public.

2. Those employed within a firm, company or institution coming under the above three categories and who take part in the planning, creation, publishing or transmitting of an advertisement have a degree of responsibility commensurate with their positions for ensuring that the rules of the Code are observed and should act accordingly.

Rules apply to entirety of Advertisement

The responsibility for observance of the rules of the Code embraces the advertisement in its entire content and form, including testimonials and statements or visual presentations originating from other sources. The fact that the content or form originates wholly or in part from other sources is not an excuse for non-observance of the rules.

Effect of subsequent redresses for contravention

1. While an advertiser's subsequent correction and appropriate redress for a contravention of the Code is desirable, they cannot excuse the original contravention of the Code.



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Alarmist marketing

1. An advertiser should not engage in speculation or provide information intended to cause alarm and force action. Such actions include overstating the legal implications of a non-defined action.

Substantiation

1. Descriptions claims or illustrations relating to verifiable facts should be capable of substantiation. Advertisers should have such substantiation available so that they can produce evidence without delay to the self-regulatory bodies responsible for the operation of the Code.

7.2. Code of the Advertising Standards COUNCIL OF INDIA

Chapter I

To Ensure the Truthfulness and Honesty of representations and claims made by Advertisements and to safeguard against misleading Advertisements.

- Advertisements must be truthful. All descriptions, claims and comparisons, which are related to matters of objectively ascertainable fact, should be capable of substantiation. Advertisers and advertising agencies are required to produce such substantiation as and when called upon to do so by the Advertising Standards Council of India.
- Where advertising claims are expressly stated to be based on, or supported by independent research or assessment, the source and date of this should be indicated in the advertisement.
- Advertisements should not contain any reference to any person, firm or institution without due permission, nor should a picture of any generally identifiable person be used in advertising without due permission.
- Advertisements shall not distort facts nor mislead the consumer by means of implications or omissions. Advertisements shall not contain statements or visual presentations, which directly or by implication or by omission or by ambiguity or by exaggeration are likely to mislead the consumer about the product advertised or the advertiser or about any other product or advertiser.
- Advertisements shall not be so framed as to abuse the trust of consumers or exploit their lack of experience or knowledge. No advertisement shall be



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permitted to contain any claim so exaggerated as to lead to grave or widespread disappointment in the minds of consumers. For example:

- i Products shall not be described as 'free' where there is any direct cost to the consumer other than the actual cost of any delivery, freight or postage. Where such cost are payable by the consumer, a clear statement that this is the case shall be made in the advertisement.
- ii Where a claim is made that if one product is purchased another product will be provided 'free', the advertiser is required to show as and when called upon by The Advertising Standards Council of India that the price paid by the consumer for the product which is offered for purchase with the advertised incentive.
- iii Claims, which use expressions such as 'upto five years guarantee' or 'prices from as low as Y', are not acceptable if there is a likelihood of the consumer being misled either as to the extent of the availability or as to the applicability of the benefits offered.
- iv Special care and restraint has to be exercised in advertisements addressed to those suffering from weakness, any real or perceived inadequacy of any physical attributes such as height or bust development, obesity, illness, importance, infertility, baldness and the like to ensure that claims or representations, directly or by implications, do not exceed what is considered prudent by generally accepted standards or medical practice and the actual efficacy of the product.
- v Advertisements inviting the public to invest money shall not contain statements which may mislead the consumer in respect of the security offered, rates, of return or terms of amortization, where any of the foregoing elements are contingent upon the continuance of or change in existing conditions, or any other assumptions, such conditions or assumptions must be clearly indicated in the advertisements.
- vi Advertisements inviting the public to take part in lotteries or price competitions permitted under the law or which hold out the prospects of gifts shall state clearly all-material conditions so as to enable the consumers to obtain a true and fair view of their prospects in such activity. Further, such advertisers shall make adequate provision for the judging of such competitions, announcement of the results and the fair distribution of prizes and gifts according to the advertised terms and conditions within a reasonable period of time. With regard to the announcement of results, it is clarified that the advertiser's responsibility under this, section of the Code is discharged adequately if the advertiser publicizes the main results in the media used to



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announce the competition as far as is practicable, and advises the individual winners by post.

- Obvious untruths or exaggerations intended to amuse or to catch the eye of the consumer are permissible. Provided that they are clearly to be seen as humorous or hyperbolic and not likely to be understood as making literal or misleading claims for the advertised product.

Chapter II

To ensure that Advertisements are not offensive to generally accepted standards of Public Decency. Advertisements should contain nothing indecent, vulgar or repulsive, which is likely, on the light of generally prevailing standards of decency and property, to cause grave or widespread offence.

Chapter III

To safeguard against the indiscriminate use of Advertising in situations or for the promotion of products, which are regarded as Hazardous to society or the Individuals to a degree, or of a type, which is Unacceptable to Society at large.

- No advertisement shall be permitted which:
 - i Tends to incite people to crime or to promote disorder and violence or intolerance
 - ii Derides any race, caste, color, creed or nationality
 - iii Presents criminality as desirable or directly or indirectly encourages people particularly children to emulate it or conveys the modus operandi of any time
 - iv Adversely affects friendly relations with a foreign state.
- Advertisements addressed to children shall not contain anything, whether in illustration or otherwise, which might result in their physical, mental or moral harm or which exploits their vulnerability. For example, no advertisement
 - i Shall encourage children to enter strange places or to converse with strangers in an effort to collect coupons, wrappers, labels or the like
 - ii Should depict children leaning dangerously outside windows, over bridges or climbing dangerous cliffs and the like
 - iii Should show children climbing or reaching dangerously to reach products or for any other purpose
 - iv Should show children using or playing with matches or any inflammable or explosive substance, or playing with or using sharp



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- v knives, guns or mechanical or electrical appliances, the careless use of which could lead to their suffering cuts, burns, shocks or other injury.
- v Advertisements shall not, without justifiable reason, show or refer to dangerous practices or manifest a disregard for safety or encourage negligence.
- Advertisements should contain nothing, which is in breach of the law, or omit anything which the law requires
- Advertisements shall not propagate products, the use of which is banned under the law

Chapter IV

To ensure that advertisements observe Fairness in Competition such that the Consumer's need to be informed on choices in the market place and the canons of generally accepted competitive behavior in Business is both served.

- Advertisements containing comparisons with other manufacturers or suppliers or with other products, including those where a competitor is named are permissible in the interests of vigorous competition and public enlightenment, provided:
 - i It is clear that aspects of the advertiser's product are being compared with what aspects of the competitor's product.
 - ii The subject matter of comparison is not chosen in such a way as to confer an artificial advantage upon the advertiser or so as to suggest that a better bargain is offered than is truly the case
 - iii The comparisons are factual, accurate and capable of substantiation
 - iv There is no likelihood of the consumer being misled as a result of the comparison, whether about the product advertiser or that with which it is compared
 - v The advertisement does not unfairly denigrate, attack or discredit other products, advertisers of advertisements directly or by implication.
- Advertisements shall not make unjustifiable use of the name or initials of any other firm, company or institution, nor take unfair advantage of the goodwill attached to the trademark or symbol of another firm or its product or the goodwill acquired by its advertising campaign.

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- Advertisements shall not be so similar to other advertisements in general layouts, copy, slogans, visual presentations, music or sound effects as to be likely to mislead or confuse consumers.

Advertising theories

Unique Selling Proposition (USP)

Each advertisement must make a proposition to the customer: "buy this product, and you will get *this specific benefit*." The proposition itself must be unique something that competitors do not, or will not, offer. The proposition must be strong enough to pull new customers to the product.

Brand image

Qualities that consumers associate with a specific brand, expressed in terms of human behavior and desires, but also related to price, quality, and situational use of the brand. For example: A brand such as Mercedes Benz will conjure up a strong public image because of its sensory and physical characteristics as well as its price. This image is not inherent in the brand name but is created through advertising.

7.3. Brand personality

Brands	:	Personality
Moods	:	Sensitivity
Thumbs up	:	bravery / daring
Amul	:	humour
MTV	:	wacky
Indiakings	:	Sophistication upper class
Woodlands	:	Ruggedness & outdoorsy
Mahindra Scorpio	:	Ruggedness
Marlboro	:	Ruggedness
Ruff & Tuff	:	Bravery
Sona chandi Chavanprash	:	Bravery
Britania little hearts	:	Love & Affection

Brand personality

Brand	:	Adjective
Liril	:	freshness & Lime



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Lux	:	Beauty, softness
Dove	:	Softness
Bisleri	:	Safety
Bajaj Pulsar	:	Power
Yamaha	:	Power
Titan	:	Style, elegance
Cinthol	:	Freshness
Mysore Sandal	:	Traditional
Medimix	:	Traditional

Slogans / Punch lines

They also reflect Brand personality.

Peter England - Honest Shirt sincerity

LIC - Try – Thy name is LIC Trust

L & T switch gear - Safe & Sure Trust

Bajaj - Inspiring confidence Competence)

Videocon - The Indian Multinational Competence)

Vantlensen - Power Evolved Sophistication - upper class

Bank of Rajasthan - Dare to Dream Excitement

The New India Assurance Co. Ltd. - Assurance of the leader Competence)

Mahindra Scropio - Nothing else will do – Ruggedness

Bank of India - Bank that cares empathy

Nike - Just do it Motivation, excitement

Trademark

The term trademark includes any word, symbol or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others in the market.

Trademarks are important because of two reasons:

- It increases the credibility of the firm because the buyer buys the product only after looking at the brand name
- Registration of trademarks prohibits duplication

How to tell a Big Idea

- ◆ “There is no formula to arrive at an idea. The creative idea just happens in the mind, and no one can teach how these things can be made to happen.”



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The Big Idea

- ◆ Will the Big idea make the target audience stand up & take notice?
- ◆ Is the Big Idea relevant to their lives?
- ◆ Is the Big Idea fresh and provocative?
- ◆ Does it meet the consumer's expectations convincingly?
- ◆ Is it motivating?
- ◆ Is it believable?
- ◆ Does it position the brand clearly & distinctively?
- ◆ Can the brand be recognized & identified easily?

How can we develop BIG IDEA?

- ◆ Collect Information: First step to collect information about Product, Services & company, the industry, target market and the competition.
- ◆ Keep competitors positioning and creative concept in front of you:
- ◆ Advertising is all about positioning, that is creating, maintaining and reinforcing the positioning in the minds of the customer
- ◆ This info will assist you in the identifying the gap in the market place which could be the basis of your creative concepts.
- ◆ Write down all ideas
- ◆ Do not discard the ideas
- ◆ Brainstorm
- ◆ Focus on customers benefit
- ◆ A benefit can be presented as a promise, reason-why and as a unique selling proposition (USP). A promise suggests how the customers will benefit after he buys the product or service
- ◆ Look beyond the obvious
- ◆ Think differently
- ◆ Keep communication simple
- ◆ Keep in short

7.4 Role of Advertising Agency

The major role of an ad agency is to work alongside the clients to develop and sustain the brands that they mutually serve through consumer understanding and insight and through creative & media delivery skills to provide best advice and the best execution thereof to those clients for the advertising of those brands. So why hire an ad agency?

Expertise & experience professional from Ad agencies guides your marketing team



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to strategies marketing communications through proper advertising support, Cost effectiveness in media budget.

The major role as advertising agency is to work alongside the clients to develop and sustain the brands that they mutually serve, through consumer understanding and insight and through creative and media delivery skills to provide best advice and the best execution thereof to those clients for the advertising of those brands.

"Buildings age and become dilapidated.

Machines wear out.

People die.

But what live on are the brands."

Brands are much more than mere products and services. Brands, if successful, are clearly differentiated entities with which consumers can and do form a mutually beneficial relationship over time, because of the values -rational and emotional, physical and aesthetic - that consumer derive from them. The importance can be summed up as follows:

“A product is something that is made, in a factory: a brand is something that is bought, by a customer. A competitor can copy a product; a brand is unique. A product can be quickly out-dated; a successful brand is timeless.”

The role of advertising and the advertising agency is to help effect this transformation from product or service to brand by clearly positioning the offering to the consumer - its role and its benefits - and by communicating the brand's own personality. In short its role is to provide meaningful differentiation via the consumer connection.

As one wise head in advertising once said, "**nothing kills a bad product faster than good advertising**". Typically advertising is playing this role, along with other parts of what we call the marketing mix, in highly competitive market places.

Most advertisers assign this job of informing the target audience and creating images to advertising agencies. Thus, the advertising agencies plan, prepare and place ads in the media. But even an advertiser can do all these things. The management can do planning of ad campaigns. For preparing ads, creative personal can be hires. And the advertiser for placing the ads can buy media space or time. So, why hire an advertising agency?



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The reason can be enlisted as follows:

- a) **Expertise and experience-** An advertising agency brings together people with the required expertise and experience of the various sub-disciplines of advertising. Thus, it has the copywriters, visualizes, researchers, photographers, directors, planners and people who get business and deal with clients working in ad agencies. An agency moulds all these people into a team and gives them a highly conducive work atmosphere. The agency makes the best use of their talents and experience to deliver rapidly, efficiently and in greater depth than a company or organization could do on its own.
- b) **Objectivity and professionalism-** Advertising agencies are highly professional. Objectivity is a major virtue of ad agency. They operate in a strange way. While they take up advertising for others, agencies hardly advertise themselves. Ad agencies being outside intermediaries can be objective. They thus will offer independent and detached viewpoints and suggestions based on objective analysis.
- c) **Cost effective-** If an organization wants to hire people to do its advertising, it cannot provide them work all through the year. Also most experts in the fields of advertising like directors, musicians, photographers, charge huge amounts and are often not affordable. Moreover, hiring, organizing and managing all talents required to produce advertising campaigns is not an easy thing. And the fact that 98% of advertisers the worlds over hire as agencies is proof enough about the cost effectiveness of the agencies. Also the kind of consistent, powerful and compelling advertising that can be created by using the expertise, experience, objectivity and professionalism of ad agencies cannot be measured economically.

Functions of Advertising Agencies

Today advertising agencies are found in virtually every major city on the world and their role in stimulating economic growth is solidly established. To understand advertising, we need to examine the functions of an Ad Agency. These are: -

- a) **Talent & Creative productions:** The basic function of an Ad Agency is providing talent. The creative efforts of the art director, the detailed analysis of the research director and the political understanding of the campaign director, are just a few examples of the many abilities of Ad Agency personal have to offer. A business organization or person will contract the services of an ad agency to help market a product.

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This function involves processing the information collected from the client and through research and designing communication material in the form of advertisements and other publicity material. This also includes planning creative strategies, copy or script writing, visualization, designing, layout, shooting of films, editing, giving music, etc.

- b) **Research:** The second function of an Ad agency is research. In order to distribute the message to the public successfully, the agency must first know all that it can about the product. One of the first jobs is to research the product and the company, one must learn, one possibly can about both. The research must even take one close to the heart of the firm's inner operations. Ad agencies use research as a tool to test consumer reactions to products and services.
- c) **Distribution & Media planning:** The third important function of an ad agency is distribution. Here you decide what type of message you will create for the company and what media will be most helpful in sending this message to the public. On the basis of the media habits access and exposure) of the target audience, agency people prepare a media plan. This plan includes which media to be used, which part of the media to be used, when to place the ads and for how long to place the ads, etc. media planners keep track of the viewer ship, listener ship and readership of all kinds of media.
- d) **Monitoring Feedback:** By monitoring consumer feedback, a decision on whether to revise the message, the medium, the target audience or all of them can be made. Ad agencies are developing to reach the target audience. As information is the backbone of all advertising, to prepare ads, one requires information about the product; its competitors, the market situation and trends, information about the audiences their likes and dislikes and media habits also need to be collected. Some of the most effective advertising includes advertisement written in their native language. All of these specialized campaigns are creating new demands on agencies and are requiring new talents for people who work in advertising.

In addition, many agencies also offer a variety of allied services. These include:

- Merchandising
- Public relations
- Organizing exhibitions and fairs

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- Preparing all kinds of publicity material
- Planning and organizing special events event management
- Direct marketing

Types of Advertising Agencies

Agencies can be classified by the range of services that they offer. Also, advertising agencies range in size from one man shows to large firms that employ thousands of people. Accordingly, different types of advertising agencies are:

1. Full service agencies
2. Creative boutiques
3. In-house agencies
4. Specialized agencies
5. Media buying services

Full-service agencies- as the name implies, a full service agency is one that handles all phases of advertising process for its clients: it plan, creates, produces and places advertisements for its clients. In addition, it might provide other marketing services such as sales promotion, trade shows, exhibits, newsletters and annual reports. In short a full service agency will provide four major functions: **account management, creative development and production, media planning and buying and research services.**

One major point that differentiates a full service agency from other is that the personal work full time and the services provide are extensive. The services usually provided by a full service agency include collecting and analyzing market data, proposing strategy, preparing and producing the ads, placing the ads in approved media, verifying the advertisements appearance publication, broadcasting, etc), invoice the client, collect the bills and pay the media and other suppliers.

Creative boutiques- it is an organization that specializes in the actual creation of advertisements. In general, boutiques create imaginative and interesting advertising themes and produce innovative and original advertisements. A company that uses a creative boutique would have to employ another agency to perform the planning, buying and administrative functions connected with advertising.

Full service ad agency studies the product or service and determines its marketable characteristic and how it relates to the competition. At the same time the agency

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studies the potential market, possible distribution plans and likely advertising media. Following this, the agency makes a formal presentation to the client deadlines, it's finding about the product and its recommendation for an advertising strategy.

Creative boutiques are different from freelancers. Freelancers are individuals who work on their own without any formal attachment with any agency. Clients or agencies hire these from time to time. The clients also hire creative boutiques.

In-house agencies- such agencies are owned and supervised by advertisers or the client organizations. The organizational structure and functioning of in-house agencies are similar to full service agencies in most cases. The advertising director of the company usually heads an in-house agency. In house agencies are organized according to the needs and requirements of the company and are staffed accordingly. Some companies solely depend on their in-house agencies for their advertising needs. Others depend both on their in-house agency and outside agencies. Some other companies allow their agencies to take outside jobs.

Specialized agencies- there are many agencies, which take up only specialized advertising jobs. Certain fields like medicine, finance, outdoor advertising, social advertising, etc. require specialized knowledge. So there are agencies, which concentrate only on areas and employ people with the required talents. These agencies are usually small in size.

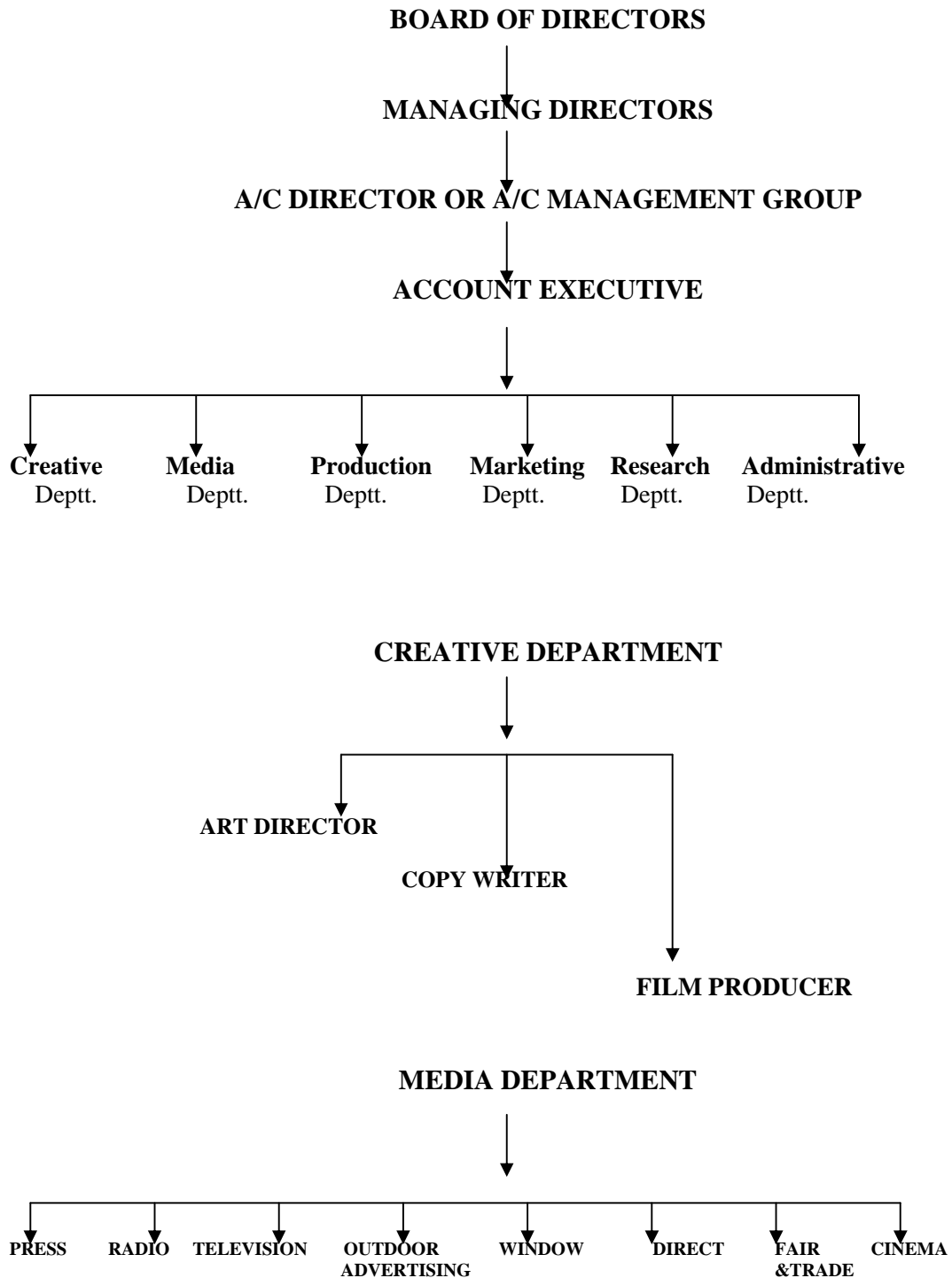
Media buying agencies-it is an organization that specializes in buying radio and television time and reselling it to advertisers and advertising agencies. The services sells time to the advertisers, orders the spots on the various stations involved and monitors the stations to see if the ads actually run.

This trend for special media buying agencies started in the 1970s. Such agencies have a lot of contacts in the media and offer very low commission on media rates. Media buying agencies complement the creative boutiques. Also large companies use their specialized negotiating talents for buying media space and time.



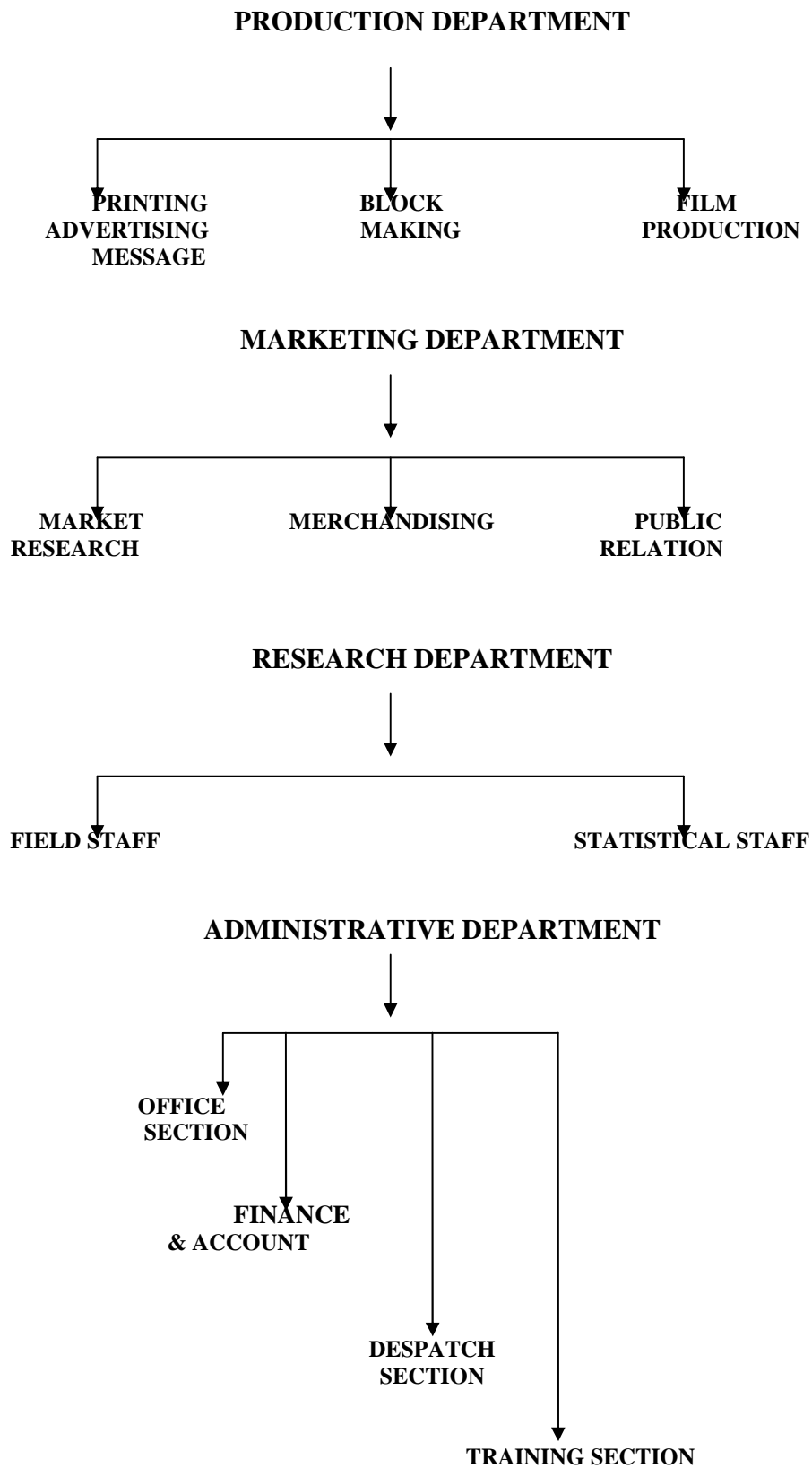
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Structure of Advertising Agency





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Like most big organizations, advertising agencies also deal with many disciplines. There is thus defined division of labor. Most of the big agencies employ specialists who provide specific talents and expertise and do different functions.

Account management department- The main job of an ad agency is to get business and maintain it. The accounts department looks after these aspects. It also works as a liaison between the client and the agency. It tries to ensure that the agency focuses its resources on the jobs on hand. It supervises the day-to-day development of the account business.

These days the account management department is designated as the *client service department*. The accounts department has account managers, accounts executives or client service personnel. Thus, the basic requirements for these people are strong communication skills and effective man management skills. They get the business; they get the research done, and get the creative people working on idea generation and execution. Then they get the media people to prepare the media plan. Also they have to get the strategy, creative plan and media plan approved by the client.

The account department works at different levels. At the top level is the management supervisor who reports to the management of the agency. He deals with the strategy development, planning, and new business opportunities. He also is the agency's spokesperson. Next comes the account supervisor or Account Manager. He is a key person and the primary liaison between the client and the agency and provides working contact. Account Manager works on a single major brand or a few smaller brands.

The next in the line is the Account Executive. He is responsible for day-to-day activities. He sees to it that the agency team is on schedule and deliver things on time. He ensures that all assignments are completed on time. And he keeps in touch with the client on a day-to-day basis keeping them informed about the developments.

Next comes the Assistant Account Executive. This is an entry-level position. The Assistant Account Executive helps the Account Executive and mostly do leg work and rarely are involved in planning or strategy development.

Creative Department- This department has the following personnel- creative director, copywriters, visualizers, art directors, etc. the creative director is the agency's creative conscience. He stimulates the creative team to come up with



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better work. He approves all creative work. He assigns jobs to copywriters and visualizers and then mould and improves their work, and also nurtures and inspires them. The copywriter writes copy and scripts. Art directors and visualizers come up with the visual ideas. Then there are directors and producers who translate these ideas into radio and TV ads by writing the script and preparing the storyboard. The creative department sometimes has an art studio to look after the print production. However, often production work is done by outside organizations.

Media Department- the function of this department is a highly complex one. This department has to recommend the most efficient means of delivering the message to the target audience. It has become more complex as the computer has replaced printed schedules and media rate cards. The media department prepares the media plan by trying to match the audience and the media. It then buys the media space and time. The media department negotiates about the media rates. It also prepares the schedules for the appearance of the ads and sees the ads appear accordingly.

Research Department- Full service agencies usually have a research department. Research department helps in collecting and analyzing relevant information that helps in developing strategy and the advertising message. This way the message becomes focused and appropriate to the target audience. The research department collects relevant and reliable information and screens all research findings.

Most of the research in the field of advertising concentrates on consumer attitudes and behavior. They also do copy testing i.e. evaluating the effectiveness of copy before ads are released. This kind of pre-research about consumer reactions to creative alternatives helps in increasing the effectiveness of the ads.

Administration Department- other than the four basic functions or services, ad agencies perform a lot of internal services like financial services, personnel management and traffic management etc. all these are performed by the administration department. The account department works in close coordination with the traffic department to review deadlines and monitor progress. The administration department has a financial division. It looks after prompt payment of bills and salaries. It sends the invoices to clients and collects the payments. Personal management is also an important aspect of agency and deals with recruitment, promotions, retirements and retrenchments, etc.

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UNIT 8. ROLE & EFFECTS OF ADVERTISING

8.1. Effects of advertising

Ogilvy on Advertising: David Ogilvy's life is inspirational. He was a college dropout, former chef and former door-to-door salesman who became a copywriter and founded the largest advertising agency in the world. So, when David Ogilvy writes about advertising, it is well worth studying what he has to say.

David Ogilvy did not believe that advertising should be totally guesswork. His firm, Ogilvy and Mather, conducted extensive research on what really works, and then shared their findings with the world. It is amazing how the advertising industry has ignored this information. Ogilvy also believed that people who are interested in advertising as a career should become students of advertising. Advertising executives who refuse to study the principles of the profession are as foolish as a person who hangs a shingle to practice medicine without going to medical school and studying medical developments. On the other hand, he found the quality of coursework and textbooks on advertising at universities to be poor.

He believed people who enter the advertising profession should work in direct response advertising for at least a year to learn techniques that really work. Direct response advertising is the only type that produces measurable results.

Here are a few of the principles for print ads that Ogilvy shares in his book.

Layout

A reader's eye tends to look first at an illustration, second at the headline, third at a caption under the illustration, fourth to the copy. Therefore, the layout should be illustration first; every illustration should have a caption, headline second, copy third.

Typestyle

Serif typestyles are the easiest to read they are typically used in books for this reason. Use serif typestyles for your ads. Words with all capital letters are also hard to read. The eye tends to read "all caps" *one letter at a time*. Use upper and lower case.



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Reverse

White letters on a black or dark background is almost impossible to read. Use it sparingly. If a newspaper or magazine requires you to "flag" an advertisement, write "advertisement" at the top in reverse, using italics. It is impossible to read and therefore practically invisible.

Subheads

A subhead between the headline and body copy builds readership. For long copy, additional subheads throughout the copy help retain interest.

Drop-initials

"If you start your body copy with a drop-initial, you increase readership by an average of 13 percent."

Number points

"If you have a lot of unrelated facts to recite, don't use cumbersome connectives. Simply *number* them."

Sex in advertising

"Some copywriters, assuming that the reader will find the product as boring as they do, try to inveigle him into their ads with pictures of babies, beagles and bosoms. This is a mistake. A buyer of flexible pipe for offshore oil rigs is more interested in pipe than anything else in the world. So play it straight." The test for sex is *relevance*. "There is a *functional* reason to show nudes in advertisements for beauty products."

Positive and Negative Effects of Advertising

Positive Effects

The positive side of advertising is that it makes you aware that a product or service is available. New and improved products are developed all the time and we can't be expected to keep track of these developments ourselves. So its manufacturer helps us in our lack of awareness and tells us: "Our new and improved product is now even better! Go out and buy it!"

This happy message really pleases the consumer in us and if the product is one that we use we are pleased that it has now been improved again and is even better. Even though the message is the same as it was the last time it was improved, chances are, if we were using it before, that we will continue to use it and that we



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react positively to the latest improvement. So far so good! When a good product is improved it does become a better product, right?

The ad will tell us in a variety of ways that it is any or all of the following:

- better than the competitor's product
- cheaper than the competitor's product
- easier to use than the competitor's product
- has more prestige value than any similar product
- lasts longer the competitor's product
- it's made of superior parts or ingredients
- it's healthier for you
- it's wholly organic
- it's stronger, faster acting, larger, shorter etc. etc. and so forth.

So we are grateful for advertisements because they keep us up to date on the improvement of existing products and the creation of new ones. This is all very good. Unfortunately many advertisements, despite rigorous guidelines, rules, laws and consumer magazines and organizations, tell us a product or service is good only to find out after purchase that it is not good at all. And sometimes we get mad because we feel we have been taken for a ride. And this is definitely not good.

Before, in those good old days when everybody complained, we got to recognize certain brands and products as good quality and we stuck by them. Reputation is important, as we have mentioned before, and when a company sticks to its original success formula we can trust them and continue to use their products or services without having to worry about it too much. And that is good because in our busy modern lives we have plenty to worry about already.

Negative Effects

The negative side of an ad is that it is not usually a neutral and objective statement. The ad is made by the product's manufacturer and that already tells us that it will never be objective. According to the box every product is the best after all.

No one can deny that an unbelievable quantity of bad products is for sale. Depending on the power of the manufacturer it can be blatantly obvious that we are dealing with a bad or substandard product. But if the manufacturer has a lot of power, the ad is so sophisticated in its execution that, we are wholly convinced with what we are dealing is genuinely great product.



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In retrospect, after the sale in other words, we can find out that the ad failed to let us know any or all of the following:

- it's made of substandard materials
- it tastes bad
- it's badly made
- it's made from leftovers and rejected materials
- it's made by someone undergoing forced labor
- it's far too expensive and should cost 10% of what it does because it is made much cheaper somewhere else
- some of its ingredients or additives such as preservatives, colorings, etc. have been banned in your country for at least 30 years because of their carcinogenic effects cancer inducing
- there's really nothing in the product that is in the least bit beneficial to your physical or mental health
- it could be dangerous to your children
- it's made up of animal byproducts
- they are destroying a rain forest to produce it
- it's been designed exclusively to use all those other bits and pieces they would otherwise be stuck with
- it would kill any insect better than any spray if you would feed it to them instead of eating it yourself
- it's made from organic materials, not mentioning that those organics are animal byproducts and leftovers, bio-material even an experimental laboratory would label bio-hazard etc. etc. and so forth.

The list is quite endless once you get going the reality of it is quite depressing. The only thing we can do is learn from our failures, i.e., never buy a product or anything else manufactured by that company, or use that service again, until we are absolutely sure it is now really worth our hard earned money and time.

8.2. Publicity, Propagandas, Sales Promotion

Publicity

Public relations are often confused with publicity, which in simple terms mean making things public or bringing things to the public notice. Many tools including word of mouth to the mass media to advertising to the Internet are used for publicizing information. However, publicity is only one part of public relations.

Many marketing experts put public relations under publicity. Thus, publicity is an important part of public relation. Many tools are used for publicizing information

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and facts. The major and most effective ones are the mass media. **Publicity** coverage could be in the form of news stories, news analyses, interviews, features, articles, and editorials in printed media and in news bulletins, interviews, discussions or special programmes on radio and television.

Another form of publicity is the paid variety. This basically involves advertising for which the organization has to pay to the media for the amount of space and time. Yet another variety involves what are called *advertorials* and *inforicals*. An advertorial is an advertisement disguised in to form of a news story or feature.

Unpaid publicity is considered to be more credible than paid publicity. The paid variety of publicity advertising being initiated by the organization is considered to be motivated and one-sided. On the other hand, unpaid publicity, which includes news stories and other editorial content, has more credibility and believability.

Many experts consider advertising to be entirely different and not part of publicity. Advertising is paid-for and involves control over what is said, how it is said, to whom it is said, where it is published, broadcast or placed, and the frequency of placement. Publicity or the unpaid variety does not offer any such control. Publicity material supplied to the media is subject to being screened, edited and even may not even be used.

On the plus side, publicity offers two important benefits:

1. It costs very little-only time and efforts are required, and
2. Publicity is considered more objective than advertising, which is considered to be self-serving. Also publicity enjoys the implicit endorsement of the mass media in which it appears.

Areas of Publicity

The areas and activities of business that are publicized are:

Announcing a new product or service

Such announcements to be effective should be made before advertising. If they follow advertising, their news value is lessened considerably.

Reorganizing or repositioning old products

In case of existing products, advertising does not work very well. For revitalizing old products, various publicity tools like staged events, sponsorship, etc are used.

Explaining a complicated product

Advertisements often do not facilitate a lot of details. So they don't work well for explanation like in case of insurance,



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banks and other financial institutions. Here publicity provides enough space for the details and the product stories messages can be told fully and effectively.

Enhancing the organization's reputation

Advertising of products goods, services and ideas, etc) is okay. But when it comes to selling the organization as a whole, advertising can be limiting. Often organizations are involved with a lot of philanthropic works like charities or promoting good causes and ideas. Advertising these activities does not look good. So organizations depend on publicity through mass media.

Crisis management

In crisis situations, publicity is the fastest and most credible means of response.

Vehicles of Publicity

From small tabloids to television to sky writing, publicity uses many channels or vehicles. However, the most effective and commonly used vehicle is the newspaper. Even in today's time of TV and the Internet, newspaper is rated to be the most credible and effective mass medium. This credibility is because of the power of the printed word. Other reasons of newspaper's popularity as a vehicle of publicity are the widely diversified and in-depth coverage. Then there is variety. Newspapers range from small weeklies to giant dailies.

Other vehicles used for publicity include radio, TV, news agencies, the Internet. Publicity also involves interviews of key personnel of the organization, news conferences, news releases, media trips, special events, exhibitions and fairs, sponsorships, etc.

Propagandas

Propaganda is a specific type of message presentation directly aimed at influencing the opinions or behavior of people, rather than impartially providing information. An appeal to one's emotions is, perhaps, the more obvious propaganda method, but there are varied other more subtle and insidious forms. On the other hand, a most common characteristic of propaganda is volume in the sense of a large amount. Individually propaganda functions as self-deception. Culturally it works within religions, politics, and economic entities like those which both favor and oppose globalization. Commercially it works within the mass market in the free market societies.

Propaganda shares techniques with advertising and public relations. In fact, advertising and public relations can be thought of as propaganda that promotes a **commercial product** or shapes the perception of an **organization, person or**

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brand. A number of techniques which are based on research are used to generate propaganda. Many of these same techniques can be found under logical fallacies, since propagandists use arguments that, while sometimes convincing, are not necessarily valid. A few examples are: Flag-waving, Glittering generalities, Intentional vagueness, Oversimplification, Rationalization, Red herring, Slogans, Stereotyping, Testimonial, Unstated assumption.

In the East, the term propaganda now overlaps with distinct terms like indoctrination ideological views established by repetition rather than verification and mass suggestion broader strategic methods. In practice, the terms are often used synonymously. Historically, the most common use of the term propaganda started to be in the religious context of the Catholic Church and evolved to be more common in political contexts, in particular to refer to certain efforts sponsored by governments, political groups, but also often covert interests. In the early 20th century the term propaganda was also used by the founders of the nascent public relations industry to describe their activities; this usage died out around the time of World War II, as the industry started to avoid the word, given the pejorative connotation it had acquired.

Propaganda is dissemination of ideas and information for the purpose of inducing or intensifying specific attitudes and actions. Because propaganda is frequently accompanied by distortions of fact and by appeals to passion and prejudice, it is often thought to be invariably false or misleading. This view is relative, however. Although some propagandists may intentionally distort fact, others may present it as faithfully as objective observers. A lawyer's brief is as much propaganda as a billboard advertisement. Education, whatever its objective, is a form of propaganda. The essential distinction lies in the intentions of the propagandist to persuade an audience to adopt the attitude or action he or she espouses.

Propaganda may be disseminated by or for individuals, businesses, ethnic associations, religious organizations, political organizations, and governments at every level. Thousands of special-interest groups disseminate propaganda. Among such groups are the patriotic and temperance societies, fire-prevention and traffic-safety committees, and leagues promoting conservation or the prevention of cruelty to animals, labor unions, and chambers of commerce. No matter what its objective, propaganda attempts to persuade through rational or emotional appeal or through the organization of personal opinion. Efficient use of the communication media is central to these efforts.



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Most people consider propaganda as biased information. Propaganda also involves making things known in a controlled and biased manner) in gaining support for an opinion, ideology or belief. While most people consider propaganda to be negative and avoid it, some see both public relation and propaganda as the same thing.

In this regard, the definition of public relation given by Ed Bernays can be reviewed, as ‘ideally public relation is a constructive force bringing to the public facts and figures resulting often in accelerated interest in matters of value and importance, to the social, economic, and political life of the community’.

On the other hand, propaganda is often seen as a destructive force as evident from Hitler’s propaganda. It does not have any regards for general public interest. It values and tries to further the interests of only a few.

Propaganda does not provide un-varnished facts. It, in fact, strives on colored, biased, or one-sided information. It does not believe in giving a free hand to the public to make it own decision. It coerces or exhorts people by virtue of rhetoric.

In the broadest sense, propaganda is honest and forthright communication intended to advance a cause through enlightenment, persuasion, or a dedicated sense of mission. It is utilized by religious, political, social and charitable organizations.

However, propaganda has an inherent emotional under current which can and is often used to great effect for negative purposes. It has the ability to:

- Awaken passion by confusing the issues
- It makes the important issues and facts seem trifling or unimportant
- It makes insignificant facts look weighty and important
- It keeps the channels of communication full of exiting stuff and
- It keeps people battling in the dark

Hitler, perhaps, made the best use of propaganda by doing just the above-mentioned things. Propaganda is considered negative as it often takes the form of a subversive activity that appeals to bigotry differences and intolerance, hate and fury, by suppressing facts and publishing false misleading information in a vicious and manipulative manner. Propaganda is often used widely during wars and times of conflict. Often during such time, stories of atrocity, brutality and barbarism are spread to arouse public passion against opposing parties. All kinds of media, from



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pamphlets to newspapers, radio, TV and even films, are used as vehicles for influencing public opinion.

Techniques of Propaganda

Evasion avoiding, distortion, calculated silence, deliberate falsification, fabrication, use of words with double meaning, exaggeration, omission of significant facts, etc. are some of the commonly used techniques of propaganda. Another technique adopted widely is over-simplification of complex issues in to prejudiced statements involving a choice between acceptance and rejection.

Other techniques include taking quotes or facts out of context, claims of universality crores of Hindus cannot be wrong, everybody in doing it. Propaganda often plays with people's tendency to conform to popular opinion. Propaganda almost always provokes. To divert public attention from a major issue, minor situations are created and blown out of proportion.

Propagandists also resort to discrediting opponents. Deliberate delaying is also used great deal. Delays lead to lessened public interest and the issue is often forgotten and defeated. Propagandists also use the favorable argument strategy by presenting only those facts that support their viewpoint. This way the public does not get a complete picture; it gets only a one-sided, biased picture.

And finally, propaganda resorts to dramatics to arouse the emotions of fears, prejudices and enmity. Propagandists organize rally, fill a stadium or public place, stage *dharnas* or *bandhs* or other such shows to mould public opinion in favor of an idea, issue, person or party.

All these techniques succeed by confusing the issue, evading the truth, making the insignificant seen important, and distort the facts by appealing to passion and prejudice.

Sales Promotion

Products and services need to be promoted. In the present era of cutthroat competition and consumer awareness, no business enterprise can sell its products unless the products are made known to the customers. The various techniques, methods and strategies adopted to familiarize products and services are known as **sales promotion**. The objectives of sales



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Promotion is:

1. To introduce or launch new products
2. To induce new customer
3. Accelerate sales during off season
4. Creating goodwill amongst customers
5. Creating favorable image of products
6. Creating demand for the products

Sales Promotion Methods

1. Price-off offer: 10% or 20% off on purchase of goods. Price-off are generally allowed during off seasons
2. Free- sample: customers are given free sample to use and consider buying the product and services.
3. Gift-schemes on purchase
4. Lucky Coupons
5. Discount Coupons
6. Contest on purchase
7. Stamps: stamps are issued to the customers of each purchase; say 1% of the purchase value. After the stamps are collected for an amount of say Rs.100, the same may be exchanged for any product for the value of the stamps.
8. Displayed Goods: are tastefully decorated and displayed in the display windows of showrooms
9. Fairs and Exhibitions
10. Clearance Sale

Need of Sales Promotion

1. To create awareness
2. To update and educate customers
3. To induce customers
4. To improve sales
5. To establish product
6. To create place and image for the products
7. To differentiate products

'Tricks of the trade' Remember 'AIDA' - Attention Interest Desire Action

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Advertising and Promotion

Here are some guidelines on planning and managing advertising and promotion activities for small businesses. The principles are obviously transferable to very large businesses.

Advertising is a complex business and an ever-changing science. New ideas and media uses are being devised all the time, and as the advertising industry switches emphasis from media to media, and as new technologies and lifestyle trends develop, so new advertising and promotional methods need assessing and comparing with traditional available methods as to which is more or less cost-effective for your given purposes. For example through the 1980's and 1990's there was a huge trend towards direct mail junk mail, which seems to show no signs of abating - many very large consumer brands switched significant advertising spending into direct mail, often switching away from TV.

TV on the other hand is increasingly attractive to small local businesses. Loyalty schemes demonstrated significant success rates through the 1990's through to present times. Internet advertising is arguably now more popular than radio advertising - the importance of websites and Internet listings are very significant now for small local businesses just as much as larger corporations. 'Viral marketing' exploiting electronic communications and the 'word of mouth' instinct is an example of a new method of advertising that simply never existed until about the mid-1990's. Advertising methods change with lifestyle and technology.

Any campaign can be broken down in terms of cost per thousand, and if you are seeking a direct response, it should be monitored according to cost per response and also cost per conversion. Advertising cost per thousand includes cost of origination design, production printing if relevant and media such as local radio, display advert, list procurement and postal fulfillment. Generally you will pay a higher cost per thousand for better-targeted methods, but in return you should expect a higher response rate, so the cost per response can be lower than cheaper methods.

Choose advertising and publicity methods that suit your targeting. Organizations selling advertising are able to provide a lot of information about their readership/audience, and you can look at other advertisers that repeatedly using various media to gauge how effectively it's working for them, which will provide some clues as to how well it might work for you. Are they targeting the same audience as you?



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8.3. Design, production and the role of external agencies

Your advertising material helps to form your image, so make sure you are happy with the design, however modest the style and usage. Use typefaces and logos in a consistent way, and if you can get the help of a good designer early this will set the tone and rules for usage later, which will save time and money in the long term. You may already have a perfectly satisfactory 'corporate identity'. If so, don't feel pressurized to change for the sake of it.

Brand loyalty and the names and identities associated with it take years - generations in fact - to build. Don't throw away perfectly good branding just because some idiot from an agency persuades you that a change is necessary. When making any change consider your real purpose and implications.

Here are some general rules for working with advertising and design agencies:

- Try to appoint people who come recommended and who have experience in your sector.
- Agree written briefs for all work, and certainly in the early phase of a relationship.
- Maintain a balance between what you want to say and how they want to say it.
- Don't allow the message to get over-complicated.

Agencies charge like wounded bulls for correcting copy text once they've started the final artwork, so try to get all the details correct and as you want them before going to the reprographic stage that's when the designer or typesetter produces the artwork.

Within the advertising purpose you should define whether you seek to create awareness or to generate a direct response. Effective marketing generally demands that each is employed, but on a limited budget you may be restricted to concentrating on one or the other, so think carefully about what will help most. Different media and methods are better suited to one or the other. Direct Mail is very good at generating a direct response, as are magazine and newspaper adverts, and inserts. Posters, TV, radio and press editorial are all much better at creating awareness and building credibility.

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Use language that your customers understand

In all of your advertising material take care to see things and hear things from your customers' viewpoint. As a knowledgeable supplier there is always a tendency to write copy and present information from a technical and 'product/service' standpoint. Remember that your customers are people without good technical or detailed understanding of your products and services. You need to help them understand things in terms that really mean something to the reader - as it relates to their needs and priorities and challenges.

Focus on what your propositions do for them, not what your propositions are in technical detail. You should spell things out, using clear simple language. Do not fall into the trap of thinking that complicated language will help build an image of professionalism and intelligence - people will just turn off. The mark of truly effective advertising and marketing is the ability to convey complex issues to the audience in a manner that is interesting, relevant, meaningful, and easy to digest very quickly.

Thomas Jefferson suggested that "**The most valuable of all talents is that of never using two words when one will do**" and this is a good maxim for writing good advertising material.

Translate your product/service offer into meaningful customer benefits

Having decided through the processes described above to focus your message on a few key strengths of your business your 'service offer' or 'proposition' you must now express these in terms of benefits to your customers. What does it all mean to them? Give them something to relate to, so that you explain more than simply what you do or provide - explain what your proposition means to your customers. How will it make their business more profitable, more streamlined, more ethical and sustainable, more socially responsible; how your proposition will improve the quality of their service to their own customers; how it will make their employees' lives' easier, better, less stressful - whatever you believe to be the strongest most relevant and meaningful customer outcomes.

8.4 Effects of Advertising on Society

Every time we open a newspaper or we turn on the TV, we see sellers of almost identical products spending huge amounts of money in order to convince us to buy their brands. The critics state that advertising is really beneficial to the consumers:



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They believe that advertising “creates” consumers that are better informed about the characteristics of the commodities, and that it does not alter the way in which the companies evaluate their products. Also, they believe that advertising creates price sensitivity for the consumers that buy the best products for their value. Finally, they think that with advertisement, entries for new brands are much easier because of the communication with the potential consumers that commercials offer.

Advertising, collective term for public announcements designed to promote the sale of specific commodities or services. Advertising is a form of mass selling, employed when the use of direct, person-to-person selling is impractical, impossible, or simply inefficient. It is to be distinguished from other activities intended to persuade the public, such as propaganda, publicity, and public relations. Advertising techniques range in complexity from the publishing of simple, straightforward notices in the classified-advertising columns of newspapers to the concerted use of newspapers, magazines, television, radio, direct mail, and other communications media in the course of a single advertising campaign.

From its unsophisticated beginnings in ancient times, advertising has burgeoned into a worldwide industry. Modern advertising is an integral segment of urban industrial civilization, mirroring contemporary life in its best and worst aspects. Having proven its force in the movement of economic goods and services, advertising since the early 1960s has been directed in increasing quantity toward matters of social concern. The continuing cancer and anti drug abuse campaigns are only two examples of the use of the advertising industry as a means to promote public welfare.

Advertising falls into two main categories: consumer advertising, directed to the ultimate purchaser, and trade advertising, in which the appeal is made to dealers through trade journals and other media. Both consumer and trade advertising employ many specialized types of commercial persuasion. A relatively minor, but important, form of advertising is institutional advertising, which is designed solely to build prestige and public respect for particular business concerns as important institutions. Another minor, but increasingly popular, form of advertising is cooperative advertising, in which the manufacturer shares the expense of local radio or newspaper advertising with the retailer who signs the advertisement. National advertisers occasionally share the same space in magazine advertising.



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The rates charged for the three different levels of advertising vary sharply, particularly in newspapers; varying rates are set also by newspapers for amusement, legal, political, financial, religious, and charitable advertisements.

8.5. TIPS TO PRODUCE THE BEST ADVERTISEMENT LAYOUT

- Put your attention getting message in the second quarter down the page. This is consistently the place where people look first.
- If you are going to use a picture, place it in the top quarter of the page, above the headline.
- Every advertisement should use the AIDCA structure; Attention getting message | Interest | Desire | Conviction | Action
- For a one page brochure stick to the AIDCA formula above. Make a concise selling story.
- If the layout is for a multi-page glossy brochure makes sure the front page includes the strongest customer benefit; and not the company logo and meaningless picture.
- Typefaces: The use of a Serif typeface in your advertisement stresses the horizontal direction which helps people to read more easily.
- Typefaces: The use of a Sans Serif typeface exhibits a strong clean cut appearance in an advertisement, suitable for short text elements.
- Stick to one Serif and one Sans Serif typeface per document. Sans Serif for headlines and Serif for the main text. Using a Sans Serif typeface for main text can reduce readability by up to 50%.
- Do not use italics for a large text block. Difficult to read and again will reduce readability by up to 50%.
- Do not use italics for emphasis in your advertisement. Use bold. Italics are OK for short individual phrases.
- Keep underlining to a minimum. It is difficult to read if used on more than a word or two. If needed for emphasis, use bold instead.
- For the average reader a 10 point type is about right for the main text in an advertisement. For older readers consider using 12 point type.



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- Advertisement headlines: For maximum impact use a Sans Serif typeface such as Helvetica or a Serif typeface such as Times Roman for a more elegant look.
- Keep headings with 'all capitals' to a minimum. Longer headlines using 'all capitals' are difficult to read.
- Don't use more than two levels of headings or sub-headings. Any more than that just confuses the reader.
- For narrow columns of text use the 'justified text' property; where it is flush to the left and right hand edges. Use a Serif typeface for this in your advertisement.
- For single columns of text use the use the 'justified text' property; where it is flush to the left edge and jagged to the right hand edge. It has gaps at the end of each line.
- Let your words breath. Make sure you leave enough 'white space' around your text. That is, leave plenty of room in between your phrases and sentences.
- Maintain consistency on your products. Don't keep chopping and changing the layout for your advertisements or brochure.
- Use of pictures can increase the response of a promotion by 50%. Make sure they are relevant. Use a photo of the product in action.
- The use of graphs, charts and diagrams in your advertisement will assist in selling if they demonstrate customer benefits.
- Use cartoons with caution. Don't get gimmicky. If a photo would be better, then use that.
- If appropriate for your product or service, use before and after photos. They do work in advertisements and brochures.

8.6. HOW TO CREATE AN ADVERTISEMENT?

- Why does the marketer think there is need for advertising the brand or product
- The target audience
- What do they think about the brand and other such products
- What is the kind of response the marketer wants form the consumer after they see the ad
- The USP of the product
- Any suggestions as to how the ad should look



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The next step is where the account executive analysis the ad brief and goes back to the client in case if any clarifications are required. Then this ad brief is broken up into a creative brief and a media brief. These are given to the creative and the media department respectively. The media and the creative department then conduct research if required for the characteristics of the target audience, their likes, their dislikes, their living conditions, their behavior in general, their exposure to the different types of media and so on.

The creative department after the research comes out with various alternative campaigns for the product. In the same way the media department also makes alternative media plans. The creative and the media department then make presentations to the account executive who in turn after discarding various ideas selects 2 or 3 ideas which according to him matches the ad brief and the requirements of the client the best. If none of the ideas appeal the account executive then the creative and/or media department have to work from scratch all over again.

Once this is done, the account executive or someone from the account planning department assisting the account service department makes presentations to the client of the ideas that were approved by the account executive. There are three possibilities at this stage:

1. The client does not like any of the ideas presented and again the creative and media department have to work towards another idea.
2. The client approves of an idea which is sent for further processing.
3. The client is confused between two very good concepts. Here there is Pre-testing undertaken. Both the ideas are shown to a specific audience that is assumed to be the representative sample of the target audience as suggested by the client. Depending upon their response for the two ideas the best is chosen and sent for further processing.

After one concept is finally approved of, the creative copy is sent to the printer for the print advertisement. For the commercial, the concept is sent to the production department where the ad is shot. The decision about model selection is either of the client, account executive or the film director or a combined effort of all three.

As the print advertisement is being made and the commercial being shot the media department at the same time starts buying media slots as per the approved media plan.

The next step is the launch of the ad in the specified media.



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Then comes the next step of billing. An ad agency generally charges the client on the basis of a fee structure or on a cost-plus system basis.

Under the **fee structure**, the client and the ad agency negotiate a flat sum to be paid to the agency for all work done. The agency estimates the cost including out of pocket expenses of servicing the client who either accepts or negotiates for a lesser amount. Negotiations continue until an agreement is reached.

The **cost-plus system** is generally used when the media billings are relatively low and a great deal of agency service is required by the client. This happens most often with industrial products, new product introductions etc. that require disproportionate amount of agency help in preparing brochures, catalogues and other non-commissionable marketing activities.

The final step is Post-evaluation. In this stage the success of the advertisement is judged through research conducted wherein the target audience as such is questioned on the visibility of the ad, whether the ad is top of mind or not, if the product is existing has the new campaign helped in increase in the sales or not and so on.

SUMMARY

For the common men advertising means television commercials, radio jingles and print advertisements. Advertising can be defined as **a paid dissemination of information through a variety of mass communication media to motivate a desired action**. According to the 'concise oxford dictionary' the verb, 'to advertise' means: **to make generally or publicly known**.

The origin of advertising as a public announcement is traceable to the **town crier** and **the village drummer**. They used their lungs to shout out their own or others' messages. The messages could relate to government proclamation or even to sales of goods on '**market days**'. Then there were signs on shops or drinking houses to indicate the name of the shop owner or of the shop. The highly urbanized cities of Mohenjodaro and Harappa in India must have employed some form of advertising to sell the many types of art and craft items that the ancient civilizations were famous for.

Advertising is just not for information, but for a purpose. This purpose is to motivate a desired action. People use advertising to achieve a variety of objectives. The broad functions are **to inform, educate, and persuade**. The subsidiary



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functions are **to create awareness, change attitudes and generally to gain acceptability**. In case of product and service advertising, the objective is to inform the consumers and generate demand. Institutional and ideas advertising are designed to create a favorable attitude and acceptability.

Advertising can be divided into two broad categories—**consumer advertising and trade advertising**. Consumer advertising is directed at the public. Trade advertising is directed at wholesalers or distributors who resell to the public.

Consumer advertising can be further divided into **national advertising and local advertising**. National advertising is aimed at consumers throughout the entire country. National advertising usually attempts to create awareness among the public of a product or service, or it tries to build loyalty to a product or service. Local advertising is aimed at informing people in a particular area where they can purchase a product or service. Advertising to the public may also take the form of **institutional advertising, image advertising, informational advertising, or cooperative advertising**.

The Marketing Mix-The 5 P's

- Product
- Price
- Place distribution
- Promotion
- People

Product - The products or services offered to your customers/clients.

Price - The strategies you use with regard to pricing your products or services with the goal of making a desired profit margin.

Place Distribution) - How you get your products or services to your target market.

Promotion - How you communicate the features and benefits and endorse your products or services to your customers or clients.

People - The value your people bring to your business by providing service to your customers and clients.



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QUESTIONS FOR PRACTICE

1. Explain the functions of advertising.
2. Discuss the elements of communication process.
3. What are the benefits of advertising to the seller?
4. Explain the role of advertising in national economy?
5. Explain various bases of segmentation.
6. Explain various advertising theories.
7. What is the difference between social & commercial advertising?
8. What is corporate advertising? Explain with suitable examples.
9. Explain 5 P's in marketing.
10. What are positive effects of advertising?
11. Compare & contrast consumer product advertising & industrial product advertising.
12. Write short note on evolution of advertising in India.
13. Write short notes on:
 - Unique Selling Proposition.
 - Image Analysis.
 - Tools of Public Relations.
 - Interactive Advertising.
 - Benefits of advertising to buyer.
 - Effectiveness of advertising message.
 - Negative Advertising.
 - Brand Positioning.
 - Product Advertising.

SUGGESTED READING

1. Advertising Made Simple Frank Jefkins Rupa & Co.
2. Ogilvy on Advertising David Ogilvy Pan Books
3. Advertising Management Aaker, Myers & Batra